FBIS DAILY REPORT

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TIRANA NOTES REAGAN'S SANCTIONS AGAINST LIBYA

AU082002 Tirana Domestic Service in Albanian 1900 GMT 8 Jan 86

[Text] American President Reagan held a press conference yesterday, broadcast on television, in which he announced that the United States would take a number of measures against Libya, and openly threatened military action against that country. He made it known that from 1 February all economic and trade relations between the United States and Libya will be broken off completely. He also called upon friends in Western Europe and allies of the United States to take similar measures for the economic boycott of Libya. Reports stressed that these White House measures were announced at a time when dozens of warships of the American Sixth Fleet were gathered in the southern Mediterranean near the Libyan coast, and that this movement of gunboats has greatly increased tension in the Mediterranean. At his press conference, Reagan threatened that in case of need he would take other measures, making clear the threat of military action. He also ordered the departure from Libya of all American citizens, and observers connect this with Pentagon plans for aggressive activities against that country.

FURTHER REPORT ON VISIT OF GREEK TRADE DELEGATION

AU080930 Tirana ATA in English 0730 GMT 8 Jan 86

[Text] Tirana, January 8 (ATA) -- A government trade delegation of the Republic of Greece, headed by the member of the Greek Government and vice minister of the national economy, Ioannis Papandoniu, arrived in Tirana yesterday.

The delegation was welcomed at the airport by the minister of foreign trade, Shane Korbeci, the head of department at the ministry of foreign affairs, Piro Bita, etc. Present was also the ambassador extraordinary and plenipotentiary of the Republic of Greece to the PSR of Albania, Apostolos Papasliotis.

Talks began yesterday between the Albanian delegation, headed by the minister of foreign trade, Shane Korbeci, and the Greek delegation, headed by the member of the Greek Government and Vice Minister of the National Economy Ioannis Papandoniu. During the talks, which passed were exchanged on the further development of trade between the two countries.

In honour of the Greek delegation, the minister of foreign trade, Shane Korbeci, gave a dinner yesterday evening which was attended by the communications minister, Luan Babameto, the vice minister of foreign affairs, Sokrat Plaka, and others. Present was also the ambassador extraordinary and plenipotentiary of the Republic of Greece to the PSR of Albania Apostolos Papasliotis.

ZERI I POPULLIT URGES FULFILLMENT OF 1985 TASKS

AU012055 Tirana ZERI I POPULLIT in Albanian 29 Dec 85 pp 1-2

[Editorial: "Let Us Completely Fulfill the 1986 Tasks With a High Sense of Responsibility, a Militant Spirit, and the Method of Action"]

[Excerpts] As has been announced, a meeting of the AWP Central Committee plenum was held recently. With a lofty sense of responsibility it discussed the experience gained in the struggle to overcome this year's difficulties, which must serve to implement the 1986 plan, and defined concrete measures for the future.

It was said at the plenum the year 1985, now ending, was a year of great tests for the party and the people. It was a year of profound grief caused by the loss of our dear and unforgettable teacher and leader, Comrade Enver Hoxha. It was a year of serious difficulties caused by the bitter winter and the very prolonged drought. Educated with the teachings of the party and Comrade Enver Hoxha, our people knew how to transform the grief into strength, and the steel-like party-people unity, the party's strength, the vitality of our socialist system, the ideological maturity of the people, their readiness to work and to make sacrifices, the creative and constructive energy of the masses shone like never before in the extraordinary situation that was created.

The fever and mobilization of the masses materialized in considerable achievements in the economy, culture, defense, and all other fields. In industry, the production plan was overfulfilled for certain important products. Agricultural produce also increased -- particularly wheat, cotton, tobacco, and rice -- attaining the highest yields ever. The first turbine was installed in the "Enver Hoxha" hydroelectric power plant at Koman, the Shkoder-Han i Hoti and the Fier-Vlore railroad lines were completed, and so were other projects.

From this viewpoint, 1985 provided a quite positive experience and was characterized by considerable achievements. This valuable experience and lofty revolutionary spirit constitute a great school for the party organizations, the cadres, and all the working people in how to overcome difficulties, how to resolve problems through our own forces, and how to uncover and utilize our reserves. "It is the duty of the party and its instruments" stressed Comrade Ramiz Alia in the report delivered to the 13th AWP Central Committee plenum, "to keep alive this spirit of mobilization, fervor, and creativity of the working masses, and to further promote the daily work to implement its line and fulfill the plans."

In stressing the 1985 achievements and experience, the plenum drew attention to the fact that these should not be used to cover up weaknesses and shortcomings at work and that deficits and their consequences for the economy should not be belittled. They are a a result of difficulties caused by the weather, but also of shortcomings in organization and management. Some nonfulfillment was also experienced, particularly in the extraction of oil and gas, in the production of electricity, textiles, construction materials, and so forth. In agriculture, poor results were obtained in the production of corn, sunflowers, potatoes, sugarbeets, and some livestock produce. This nonfulfillment could not fail to have an influence on the economy; therefore, the need to remedy the situation through a great and all-around struggle is an absolute necessity to eliminate anomalies, to assure a proper rate of development at all times, and to further increase the source of the country's socialist accumulation. The analysis of the shortcomings and nonfulfillment, the plenum stressed, should serve to draw lessons in order to improve our work everywhere.

Comrade Ramiz Alia stressed at the plenum that "the major conclusion to be drawn from this analysis is that the unfailing fulfillment of the planned tasks by all the branches and sectors of the economy, in all districts and all agricultural units, has been and remains the only road for the development of our society on the basis of self-reliance, and to successfully meet all the difficulties of nature and of the savage imperialist-revisionist blockade."

Proceeding from this important conclusion, the plenum instructed that the communists, cadres, and all the working people should profoundly understand the political and ideological importance of the complete fulfillment of all the tasks and indicators of the plan. The party's persuasive and educational effort, the plenum stressed, must make it clear that those who trample on and depart from the plan, trample on the laws of the party and of the state, and affect the interests of the people and socialism.

The great 1986 tasks require further elevation of the leading and mobilizing role of the party organs and organizations. The firmer our strides are next year, the greater will be the guarantee for the fulfillment of the next 5-year plan. The plenum charged every Communist and basic party organization with being fully aware of the demands of the times and living intensively with these demands, with marching in step with time, responding to the fervor of the masses and to the needs of the situation with more efficient and qualified activity. More intuition and imagination is required in the comprehension and creative implementation of the party's directives, and in making the forms of communication with people more lively.

The plenum stipulated that the method of management work should be adroit and respond to the task of the time, that it should have clear objectives, and that the way of their implementation should be concrete. The perfecting of the organization of work, whether large- or small-scale, is required from the basic production units, the district executive committees, and the central departments. The plenum stressed that a persistent and more forceful struggle should be waged against manifestations of liberalism and bureaucracy, as well as departmental and sectorial narrow interests, barring the way to lack of coordination between ministry apparatuses.

The organization of work and production is perfected by establishing order and efficient and continuous control everywhere, so that weaknesses and shortcomings in the fulfillment of plans, the proper use of the material and technical base, as well as of manpower and investments may be detected in good time and prevented, barring the way to some alien manifestations, damage, and abuses that have been observed.

The year 1986 is a year of great tasks, a year of great events for our party and the people. It is the first year of the Eighth 5-Year Plan and of the 45th anniversary of our glorious party. The fulfillment of the great objectives set for the coming year is absolutely necessary to continue the country's socialist construction relying entirely on our own efforts. This becomes even more imperative in the exacerbated international situation we are witnessing. The superpowers continue their frenzied efforts to impose their total domination over all continents and countries, intensifying the arms race, and through other methods of pressure and blackmail. The pressure of the all-around and destructive crisis of the capitalist-revisionist world and of the savage and inimical encirclement is growing daily. The fulfillment and overfulfillment of the plans is therefore a great patriotic duty for all Communists, working people, and citizens. By constantly strengthening the economy we increase the well-being of the people and further steel our socialist country's defense potential.

The plenum expressed full conviction that all our people, guided by the party led by Comrade Ramiz Alia, will work with a high sense of responsibility, a militant spirit, and method of action to implement the decisions adopted to completely fulfill the 1986 tasks.

LATE REPORT: PRESS DENOUNCES LIBYAN SANCTIONS

AU091256 Tirana ATA in English 0930 GMT 9 Jan 86

[From the press review]

[Text] Tirana, January 9 (ATA) -- The press denounces the brutal act of U.S. imperialism against Libya.

In a press conference given in Washington on January 8, the newspapers stress, President Ronald Reagan declared the imposition of a savage economic and political blockade against Libya. The United States seeks the support of other countries for this arrogant act, which violates the recognized norms of the international law.

Reagan called on and openly exerted pressure on the allied countries in Europe and other regions to back up and participate in the American economic and political blockade against Libya.

The bandit-like act to impose an economic and political blockade and the open threats for military intervention have brought to a higher dangerous level the tension in the Mediterranean and Middle East, where as the news agencies reported, the movement of the military fleets of the two superpowers has been considerably intensified. The new brutal act of American imperialism has aroused the indignation and immediate opposition of the public opinion in many countries of the world, particularly in the Arab countries, which have condemned it as a grave violation of the sovereign rights of the Libyan people and all the freedom loving peoples of the world.

The foreign ministers meeting of the Organisation of Islamic Conference (OIC) held in the city of Fes, Morocco, on January 8, denounced the American blockade against Libya and expressed its full support for the Libyan people. For its part in a special session held in Tunis these days the Ministerial Council of the Arab League condemned Washington's threats for military aggression against Libya. According to a report of the Algerian News Agency, APS, the Foreign Ministry of Algeria issued a statement yesterday which pointed out that "the threats to use force against Libya aroused deep concern" and added that they "are in themselves a serious violation of the international norms of conduct". The statement also emphasized that Algeria will never allow that "Libya's sovereignty and territorial integrity be trampled".

In a statement published in the Saudi daily newspaper "ASHARQ AL-ASWSAT", which comes out in Paris, the chairman of the PLO Executive Committee, 'Arafat stressed: "We will stand by Libya in case of any aggression launched against it by Israel or America.

Refuting the pretexts and absurd accusation of the United States of America for Libya's alleged participation in terrorist life attempts the Libyan foreign minister, al-Turayki declared that his country condemns every terrorist act. The American-Israel threats for military acts against Libya have aroused a broad protest movement in that country.

The news agencies report that the allies of the United States, too, have refused to support the American measures and acts against Libya. In one way or another opposition has been also voiced many countries of Western Europe, Asia, Africa, etc.

FILIPOV RECEIVES USSR ACADEMY OF SCIENCES DEPUTY

AU081057 Sofia Domestic Service in Bulgarian 1000 GMT 8 Jan 86

[Text] Grisha Filipov, member of the Politburo of the BCP Central Committee and chairman of the Council of Ministers, has received Yevgeniy Velikhov, deputy chairman of the USSR Academy of Sciences. During the conversation, which took place in a cordial, friendly atmosphere, issues were examined connected with the fulfillment of the agreements between the two countries, the considerable expansion of the cooperation, and the contemporary trends of scientific-technical progress. The necessity was noted for the further deepening of scientific contacts in all fields, as well as for the creation of Bulgarian-Soviet scientific-production unions. The meeting was attended by Comrade Andrey Lukanov; Stoyan Markov, chairman of the State Committee for Science and Technical Progress; and Blagovest Sendov, deputy chairman and chief scientific secretary of the Bulgarian Academy of Sciences.

GHANA, FATHERLAND FRONT RELATIONS ESTABLISHED

AU081933 Sofia BTA in English 1834 GMT 8 Jan 85

[Text] Sofia, January 8 (BTA) -- The National Council of the Fatherland Front of Bulgaria and the Committee in Defence of the Revolution in Ghana have established regular contacts.

Today an agreement was signed here for the cooperation between the two organizations in the 1986-1990 period.

This document is the result of the talks held here between delegations of the two committees headed by John Asase, political advisor on Economic Affairs of the Ghanian Committee in Defence of the Revolution, and by Pencho Kubadinski, chairman of the Fatherland Front of Bulgaria.

Mr. John Asase assessed the talk as fruitful and stressed the necessity for solidarity and support for the work of the Committee in Defence of the Revolution of Ghana on the part of organizations such as the Fatherland Front of Bulgaria.

Both sides expressed their conviction that the agreement signed will contribute not only to the development of the contacts between the two organizations but also for promoting cooperation between Bulgaria and Ghana and the people of the two countries.

FILIPOV CABLES MESSNER ON MINE DISASTER

AU012032 Sofia RABOTNICHESKO DELO in Bulgarian 25 Dec 85 p 8

[Text] Grisha Filipov, chairman of the Council of Ministers, has sent a message to Zbigniew Messner, chairman of the Polish Council of Ministers, expressing most sincere condolences in connection with the accident in the "Walbrzych" mine, which has caused casualties and material damage.

Most sincere condolences were also expressed to the families and relatives of the killed and injured workers.

PARTY GREETS INDIAN CP ON 60TH ANNIVERSARY

AU012014 Sofia RABOTNICHESKO DELO in Bulgarian 26 Dec 85 p 6

[Text] The BCP Central Committee has sent the following message to the National Council of the Indian Communist Party:

Dear comrades,

On behalf of the working people of the People's Republic of Bulgaria the BCP Central Committee sends most cordial and friendly greetings on the remarkable anniversary -- the 60th anniversary of the Indian Communist Party.

Created under the direct influence of the Great October Socialist Revolution, the Indian Communist Party has been for 6 decades in the vanguard of the Indian people's struggle for independnece and freedom, peaceful and democratic development, justice, and prosperity. The party of the Indian Communists firmly and consistently defends the interests of the workers' class and the entire working people under difficult internal and international conditions, and tirelessly searches for suitable means and forms of putting into effect the great teaching of Marx, Engels, and Lenin.

We support the efforts of the National Council of the fraternal Indian Communist Party and all Indian Communists to reach a unity of the leftist, democractic, and national-patriotic forces on a principle-minded basis, in the struggle against imperialism and reaction, for the unity and territorial integrity of India, and for democracy and social progress.

Loyal to the principles of Marxism-Leninism and proletarian internationalism, the Indian Communist Party is making its contribution to further strengthening the international communist and workers' movement, and for activating the struggle for peace, security and cooperation, something which is of exceptional importance in the present exacerbated and explosive international situation.

We note with deep satisfaction that the traditional fraternal relations and cooperation between the BCP and the Indian Communist Party are developing according to an ascending line, in the interest of our two peoples and our common struggle against imperialism and neocolonialism, and for socialism and communism.

On the day of the glorious 60th anniversary of the Indian Communist Party we confirm our steady solidarity and wish you, dear comrades, new successes in your selfless and tireless activity for the benefit of the friendly Indian people.

PARTY CC SENDS GREETINGS TO FLN CONGRESS

AU012036 Sofia RABOTNICHESKO DELO in Bulgarian 26 Dec 85 p 6

[Text] The BCP Central Committee has sent the following greetings message to the Extraordinary Congress of the Algerian National Liberation Front (FLN):

Dear comrades,

On behalf of the Bulgarian Communists we are pleased to address most cordial greetings to the FLN Extraordinary Congress and wish it successful and fruitful work.

The Extraordinary Congress acquires a special importance at the present moment, when as never before it is necessary to strengthen the unity of action of all progressive forces in the general struggle against the plans of imperialism and react to, and against the nuclear conflict threat, which hangs over the planet.

The Bulgarian people decisively stand on the side of the Algerian people from the first day of their heroic struggle against colonialism, and for freedom and national independence, greet the socialist choice of the Algerian people, and sincerely rejoice at the successes, achieved by Algeria in constructing the new society according to the revolutionary principle of the programmatic documents of the Algerian revolution, and more specifically, the National Charter.

We are convinced that the People's Republic of Bulgaria and the Algerian Democratic and People's Republic, bound together by their traditional friendship and united by their common positions on the main issues of our time, will further march shoulder to shoulder in the struggle to implement the sacred right of all peoples to live in peace and cooperate in the name of progress.

We again express the BCP's firm determination to work further for strengthening and developing cooperation with the FLN, something which corresponds to the interests of the two countries and the world revolutionary movement.

From the bottom of our hearts we wish the FLN and the friendly Algerian people further successes along the road of national and social development, and in strengthening the achievements of the Algerian revolution.

U.S. CREATING 'DANGEROUS TENSION' OVER LIBYA

AU081332 Bratislava PRAVDA in Slovak 7 Jan 86 p 7

[Boris Latta article in "Word on Events" column: "Threat to Libya and Peace"]

[Text] In view of the U.S. military threat to Libya, the Libyan Armed Forces have been placed on combat alert. Tripoli decided to take this step after the warships of the U.S. Navy's 6th Fleet had drawn near to the territorial waters of sovereign Libya, after the USAF intensified its reconnaissance flights in the vicinity of that country's border, and after the expansion of espionage operations connected with the monitoring of radio programs and telephone communications on Libyan territory. The United States has sent so-called experts on combatting terrorism into the region. However, in reality they are agents of American espionage services with a wealth of experience in subversive activity.

The tension, which Washington has been deliberately escalating, is part of extensive and very dangerous plans to liquidate Libya's legitimate government, and to elevate to power circles blindly dedicated to the interests of American imperialism.

Tripoli's anti-imperialist policy has been the thorn in Washington's flesh for quite some time now. And Washington does not even hide its irritation any longer. As can be seen, it has even added military intimidation to its economic and political pressure, to which it has hitched the majority of its allies. However, the military intimidation has acquired a new, more dangerous quality of late. As we have already reported, at the end of last year the daily THE WASHINGTON POST wrote that there exist concrete CIA plans, approved by the President, whose objective is direct military intervention in Libya. Upon the publication of the aforementioned report the American President reacted precisely in the spirit of the atmosphere which prevails to this day in the White House and the Pentagon. He did not deny the report, but investigated the source of the leak of "super secret" facts. The absence of a denial has only confirmed Washington's real intention, reaffirmed currently by the events around Libya.

It is no secret that all the U.S. anti-Libyan activity has become, as if ordered, the foundation for yet another doctrine, this time created by the "Washington hawks," which they call "neoglobalism." Konstantin Geyvandov, commentator of the Soviet daily IZVESTIYA, wrote in this connection that the essence of this "newborn baby" of American right-wing circles lies in the following: On the one hand, not to let regional conflicts become settled if there is no ratio of forces in the Americans' favor in the offing; on the other hand, kindling new conflicts on the entire "front" of U.S. "interests." And thus, "neoglobalism" is being practiced in relations with all developing countries, Libya included. The sum of the instruments through which "neoglobalism" is being realized includes, among other things, the establishment of an opposition to the existing regimes that do not suit Washington. The Nicaraguan "contras" or the Afghan bandits are an example. The CIA's subversive activity and the direct armed intervention are also in this category. The U.S. steps against Libya contain, with the exception of the latter (but until when?), all the aforementioned instruments.

However, Washington's flirting with the idea of a direct military intervention in Libya has been meeting ever-increasing opposition throughout the world, even in the United States itself.

Even prominent U.S. congressmen have voiced doubts about the wisdom of such a step. For example, Richard Lugar, chairman of the Senate's Foreign Relations Committee, said on television on Sunday [5 January] that in case of military intervention it would be difficult to hit the corresponding [odpovedajuci] targets -- that is, the alleged terrorist training centers. Disregarding the fact that it is absurd to claim that they exist in that country, he thus refuted Washington's "reason" that everything done in connection with pressure on Libya is being done in the name of the "struggle against terrorism." The U.S. allies -- Italy, France, or Egypt -- also nod their heads disapprovingly when talk broaches a possible American military action against Tripoli. No wonder. After all, all three mentioned countries have considerable economic investments in Libya.

Prior to the Soviet-American summit in Geneva last year, President Reagan suddenly began to show increased interest in regional conflicts, and in this connection he asserted that their non-settlement is a direct threat to the peace and security of nations. And now Washington and, in particular, President Reagan is creating such a threat of a hotbed of dangerous tension in another world region, in the north of Africa.

[Bratislava SMENA in Slovak on 6 January on page 2 carries a 500-word Marian Babic commentary on the same theme, entitled "The United States Is Preparing Military Action Against Libya; Real State Terrorism," in which it is stated, among other things: "President Reagan entrusted the CIA with carrying out a secret operation to overthrow Al Qadhdafi" to facilitate transforming Libya into Washington's "obedient vassal," a matter that would "also enable the reopening of American military bases" there.]

REAGAN MESSAGE TO USSR CALLED 'DISAPPOINTMENT'

AU071158 Bratislava PRAVDA in Slovak 4 Jan 86 p 5

[Bedrich Zagar commentary: "Different Approaches and Emphasis"]

[Text] The New Year messages of Mikhail Gorbachev, the highest representative of the Soviet Union, to the American people, and of U.S. President Ronald Reagan to the Soviet people are the subject of extensive evaluations by the world press. It is not surprising that the attention of the international public is attracted by these two messages. Following the Soviet-American summit meeting in Geneva, which is generally considered to be the beginning of a new constructive dialogue, the answer as to whether the spirit of Geneva continues to be alive and, what is even more important, whether the messages would indicate further progress, especially in the direction from words to deeds has been anticipated with particlar interest.

As far as the Soviet Union is concerned, it is evident that it has a considerable edge over the United States in the concretization of its words. Even before the two highest representatives came to Geneva, the Soviet Union had put forward proposals for a 50-percent reduction in nuclear arsenals and, simultaneously, a possible agreement on banning the militarization of space, because -- as Comrade Mikhail Gorbachev told the American people -- one of the realities of the present world is that "it is absurd to strive to enhance one's own security by means of the development of new types of weapons." It is a fact that every new step in the arms race increases the danger and the risks for both sides.

By introducing a moratorium on nuclear explosions and calling on the United States to follow this example, the Soviet Union also took an immensely important step toward limiting, reducing, and even liquidating nuclear weapons. These deeds speak a most eloquent language.

If, on the other hand, we evaluate Reagan's address to the Soviet people from this viewpoint, we must note that not much has changed in American policy so far. It is even possible to agree with some American press commentaries, according to which the only satisfactory thing about Reagan's speech is the fact that he delivered it, while what he actually said is less satisfactory. What the public today expects are deeds, as Ronald Reagan himself is fond of stressing, and it is thus not astonishing that his 5-minute speech has been called a "disappointment" because it did not contain anything specific -- just promises and no deeds. It was also a disappointment because, though he wrapped his statement in nice-sounding words, he did not rid it of hackneyed cliches and very well known "irreconcilable" positions.

In comparing Mikhail Gorbachev's and Ronald Reagan's New Year addresses, a characteristic difference in their approach and emphasis on problems comes to the fore. Although Reagan once again asserted that a nuclear war cannot be won and that it must never take place, the United States has carried out an underground nuclear explosion aimed at resolving the problem of energy for laser guns, designated for space armament. A clear case of discrepancy between words and deeds. He again defended the "possibilities of exploiting new technologies for defense purposes," which would allegedly rid all of us of the threat of a nuclear war. In order words, he defended his so-called Strategic Defense Initiative, which, as everyone knows by now, is designed to secure for the United States an unpunishable first nuclear strike. Even people in Washington make no secret of that.

Mikhail Gorbachev approached this issue from a different angle. He proposes peace in space and offers cooperation in this goal. Life urgently requires that we take the path of reducing nuclear arsenals and preserving peace. "Our duty vis-a-vis all mankind is to give it a reliable prospect of entry to the third millenium.... Let us not transfer this task to our children," Comrade Gorbachev said.

Some commentators in the West are striving to put emphasis on patience. Only dreamers can allegedly expect a rapid change in the American position on arms control. Therefore, allegedly, one cannot count upon achieving any results in controlling armament soon. But time is a relative concept. The fact is that it never stops, the ticking of the nuclear clock can be heard all the time, especially if we constantly hear talks about preparations of "star wars" from the United States, and not only words but also specific deeds such as the recent explosion in Nevada. What, in fact, are we supposed to wait for? Should we wait for the arms race to reach the point of no return? Such delay would mean a great risk. It would be better and easier to take steps immediately toward living up to the Soviet Union's and the United States' task vis-a-vis the people living on our planet.

EHRENBERGER COMMENTS ON MINING INDUSTRY PROBLEMS

AU010920 Bratislava PRAVDA in Slovak 30 Dec 85 p 2

["CTK Interviews Vlastimil Ehrenberger, CSSR Minister of Fuels and Power; Utilizing New Technologies and Implementing the Findings of Science"]

[Text] Prague -- Vlastimil Ehrenberger, CSSR minister of fuels and power, granted CTK an interview in which he answered two questions.

Which of the results achieved by your ministry this year do you appreciate most, and with what are you least satisfied?

In your ministry what do you regard as the decisive element for mastering the tasks of 1986?

[Ehrenberger] The first question cannot be answered unequivocally because with the multifaceted work that our sector [rezort] encompasses it is difficult to pick out one result. I appreciate, in particular, the fact that the sector also fulfilled its crucial tasks as a whole under considerably complex conditions.

This year the state plan for coal extraction will be fulfilled and exceeded by more than 600,000 metric tons, a similar situation applies to the generation of electric energy, where we had to react to the fact that the pace of the growth of domestic electricity consumption was almost double this year's planned projections. The gas and uranium industries, too, passed the test with flying colors.

I very much appreciate all these results, but if I have to highlight one of them, then it is the fact that nuclear power plants already accounted for 14.6 percent of the generation of electricity. Even though this is not as much as was originally determined for this 5-year plan -- it is known that shortfalls occurred in the construction of nuclear power engineering projects -- it is the foundation for the transformation of our fuel-energy balance sheet for the future.

Just to give you a better idea: This 14.6 percent is almost 12 billion kwh, a figure that constitutes almost three times the total electricity generated in Czechoslovakia before the war.

The meaningful combination of fuel-energy resources -- that is, conventional, imported, and nuclear -- constitutes the first marked transformation of the fuel-energy balance sheet. These structural changes are a typical manifestation of scientific findings and new technologies entering into practice, therefore I put them in first place.

And with what am I least satisfied? I do not want to express the extent of my personal satisfaction, but rather to stress what causes concern in the sector. Of late, this has been the mining-technical difficulties, mainly in the Ostrava-Karvina basin. Since coal is and will remain a necessity for our national economy, we must consistently resolve problems connected with its extraction at great depths, with an ever-increasing occurrence of seams susceptible to tremors and collapse, and other unfavorable factors.

Also connected with this is safety and health protection at work, in which we strive -- above all, in the mining sector -- to systematically reduce the natural risks.

And thus, I am actually getting to the second question: What I regard to be decisive for 1986. It is the mastering of our current difficulties, which involves above all the rapid utilization of new technologies and the findings of science. At the same time, we must improve the sector's economizing, mainly by reducing the kind of costs that are unnecessary in production and capital investment activity, for example, by finding ways of reducing the cost of the overburden, consumption of standard fuels, and improving the utilization of machinery.

As far as the overburden is concerned, with a good utilization of deployed means, the cost per cubic meter of soil is Kcs8, whereas if the opposite is the case, a cubic meter might cost as much as Kcs18. Next year we must remove a quarter of a billion cubic meters of overburden. In the long run every cent saved here amounts to millions of korunas saved. The same applies to machines for continuous mining operations, mechanized roof-props, as well as to the boilers and turbogenerators for our power plants.

It is understandable that the interests of our economic production units sometimes seem contradictory. For example, from the viewpoint of mining-geological conditions we have to deal with the increasing extraction of lower-grade coal, but high-grade coal is more suitable for the highly economical operation of power plants.

Thus, another important task of the sector is to harmonize the aforementioned requirements and at the same time utilize with maximum efficiency our energy-related wealth, of which we do not have all that much. And since we are talking about efficiency, I must also mention the long-range utilization of natural gas which, next to the nuclear-power engineering mentioned, constitutes another marked influence on the development of the fuel-energy complex. This medium has already become matter-of-fact for us, but let us realize -- for example, in connection with the recently signed agreement concerned with our participation in the development of the USSR gas industry -- that the cost to us of a cubic meter of gas will depend on how we succeed in adhering to planned construction costs.

Thus you can see that the truly crucial task is to introduce new scientific findings into all fields of activity, the sphere of management not excepted. In practice this means a broad scope of activity, beginning with the application of electronics all the way up to replacing persons with machinery where work is exceptionally dangerous or backbreaking. I believe that with the aid of our own scientific-research base, our planning capacities, engineering, and construction organizations, we will gradually succeed in doing this.

SWISS EXPEL DIPLOMAT FOR 'SPYING' ON CITIZENS

AU091226 Paris AFP in English 1223 GMT 9 Jan 86

[Text] Bern, Jan 9 (AFP) -- A Czechoslovak diplomat accused of spying on his country's immigrants here has been ordered to leave Switzerland, a government spokesman said here today.

Neither the diplomat's name, rank, nor departure date was disclosed.

The spokesman said the diplomat had been declared persona non grata for "illegal intelligence activities."

He had reportedly summoned immigrants to his office to interrogate them, even after some had obtained Swiss nationality, and relayed information to Czechoslovakia's internal security agencies.

The spokesman said he had been under surveillance by Swiss counter-intelligence for several years.

PROTOCOL SIGNED ON COOPERATION WITH EGYPT

AU291944 East Berlin NEUES DEUTSCHLAND in German 21-22 Dec 85 p 22

[Excerpts] Berlin (ADN) -- The second session of the Joint Commission for Economic and Technical Cooperation Between the GDR and the Arab Republic of Egypt was concluded in Berlin on Friday [20 December]. The chairmen, Dr Kurt Singhuber, minister of ore mining, metallurgy, and potash, and Dr Kamal Ahmad Al-Janzuri, deputy prime minister and minister of planning and international cooperation; signed a protocol on the outcome of the deliberations.

The agreed-upon cooperation comprises, among other things, the fields of industry, the power industry, and agriculture. Measures were defined to expand commodity deliveries and to develop scientific-technical relations on the basis of the mutually beneficial complementing of the national economic structures in the two countries.

Dr Mahmud 'Abd al-Munim Murtada, charge d 'affaires ad interim of the Arab Republic of Egypt to the GDR, was present at the signing.

During his visit on the occasion of the second session of the Joint Commission for Economic and Technical Cooperation Between the GDR and the Arab Republic of Egypt, Kamal Ahmad Al-Janzuri met Felix Meier, minister of electrical engineering and electronics, and Wolfgang Junker, minister of construction industry, for talks in the course of which opportunities for a closer cooperation between combines and foreign trade enterprises of these industrial sectors and the Egyptian economy were discussed.

LEADERS GREET CASTRO ON REVOLUTION ANNIVERSARY

AU021948 East Berlin NEUES DEUTSCHLAND in German 31 Dec 85 p 2

[Text] East Berlin (ND) -- Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, and Willi Stoph, chairman of the GDR Council of Ministers, sent the following congratulatory telegram to Dr Fidel Castro Ruz, first secretary of the Central Committee of the Cuban Communist Party [PCC], chairman of the State Council, and the Council of Ministers of the Republic of Cuba, on the 27th anniversary of the victory of the revolution on 1 January:

Dear Comrade Fidel Castro:

On the 27th anniversary of the victory of the revolution we convey to you, the PCC Central Committee, the State Council, and the Council of Ministers, as well as the entire Cuban people most cordial congratulations and fraternal militant greetings from the SED Central Committee, the State Council, and the Council of Ministers, as well as the people of the GDR.

The victory of the revolution, of the liberation of Cuba, also was the historic starting point for the development of real socialism on the American Continent.

Under the tested leadership of the PCC and as an integral part of the community of socialist states, Cuba is determinedly striding ahead in building the material-technical base of socialism and in reliably protecting these achievements. The GDR follows with great interest the preparations for the Third PCC Congress, where guiding decisions will be taken and tasks will be set that already extend into the next century.

After the Geneva summit, our two states -- in close affinity and on the basis of the peace strategy of the socialist community -- are intensifying their efforts in order to make an effective contribution to an improvement in international relations. This also applies to solving the conflicts in Central America in accordance with the stipulations of international law.

The fraternal alliance between the SED and the PCC, between the governments and peoples of our states, is unshakable. On the basis of the Treaty of Friendship and Cooperation Between the GDR and the Republic of Cuba of May 1980, our relations will continue to experience an overall and fruitful development.

We wish you, dear Comrade Fidel Castro, and the Cuban people from the bottom of our heart new great successes in the development of the country.

At the same time, we send our best wishes for good health and creative energy for 1986.

HONECKER SENDS ANNIVERSARY GREETINGS TO 'ARAFAT

AU021943 East Berlin NEUES DEUTSCHLAND in German 31 Dec 85 p 2

[Text] East Berlin (ND) -- Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, sent the following telegram to Yasir 'Arafat, chairman of the PLO Executive Committee and commander in chief of the Armed Forces of the Palestinian Revolution:

Esteemed Comrade 'Arafat:

I convey to you, on behalf of the SED Central Committee, the State Council, and the people of the GDR, as well as on my own behalf, solidarity greetings on the occasion of the 21st anniversary of the advent of Palestinian resistance.

I take this opportunity to affirm once more the consistent support of the GDR for the just struggle of the Palestinian people and their only legitimate representative, the PLO, for obtaining their national rights, particularly the right to their own independent state.

I wish you, the PLO Executive Committee, and the entire Palestinian people success in the continuation of the PLO's anti-imperialist struggle for those victory the consolidation of the Palestinian movement's unity is an essential precondition.

HONECKER RECEIVES MOZAMBIQUE'S DOS SANTOS

LD080035 East Berlin ADN International Service in German 1730 GMT 7 Jan 86

[Text] Berlin 7 Jan (ADN) -- On Tuesday [7 January], Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR Council of State, received Marcelino dos Santos, Politburo member and secretary of the Central Committee of the Frelimo Party, for a friendly talk. The guest conveyed cordial greetings from the president of the Frelimo Party and of the People's Republic of Mozambique, Samora Moises Machel, which were reciprocated in the same spirit by Erich Honecker.

Marcelino dos Santos outlined the efforts of the Mozambican people in the successful implementation of the decisions of the fourth congress of the Frelimo Party. He explained the content and results of the 14th session of the People's Assembly of the People's Republic of Mozambique.

Proceeding from the documents of the 11th session of the SED Central Committee, Erich Honecker informed his guest about how the party and entire GDR people were preparing for the 11th congress.

The two men welcomed the results of the meeting between Mikhail Gorbachev and Ronald Reagan in Geneva. They expressed the hope that this beginning would exert a positive influence on the solution of the major issue of averting a nuclear inferno, safeguarding peace, halting the arms race on earth, and preventing it from spreading to space. This is the path that leads to detente. In order to achieve this aim, Erich Honecker and Marcelino dos Santos stated their parties' determination to make an active contribution to the uniting of all forces of reason and realism.

The two men underlined the firm alliance between the two parties, states, and peoples in the joint struggle for peace and social progress and in eliminating the areas of conflict and tension in all regions of the world. They strongly condemned the aggressive actions of the apartheid regime against the independent states in southern Africa and demanded an end to the policy of apartheid and a halt to the support of racist regime by imperialist states.

In the meeting, which was held in a cordial and open atmosphere, questions of deepening the friendly cooperation between the SED and the Frelimo Party and between the GDR and the People's Republic of Mozambique were also discussed.

The talk was attended by Guenter Mittag, Politburo member and secretary of the SED Central Committee; Guenter Sieber, member of the SED Central Committee and head of the International Relations Department; and Julio Goncalo Braga, ambassador of the People's Republic of Mozambique to the GDR.

SED CONGRATULATES FRENCH COMMUNIST PARTY

AU311222 East Berlin NEUES DEUTSCHLAND in German 28-29 Dec 85 p 1-2

[Text] East Berlin (ND) -- The SED Central Committee sent the following congratulatory telegram, signed by its general secretary, Erich Honecker, to the Central Committee of the French Communist Party [PCF]:

Esteemed comrades:

The SED Central Committee, on behalf of all communists in the GDR, conveys cordial congratulations and fraternal militant greetings on the 65th anniversary of the founding of the PCF.

Your party can look back at a glorious history. It has always been a consistent advocate of the social and national interests of the workers class and all French working people. Inspired by the Great October Socialist Revolution and founded as a result of hard class struggles, the PCF has continued the great progressive and humanistic traditions of its people.

Our high esteem goes to the heroic and dedicated struggle of the French Communists against fascism and war, against colonial oppression and for the freedom of the peoples. Your party has achieved great merits in the Resistance movement against fascist occupation and in the reconstruction of the country.

In line with existing conditions and national traditions, the PCF is working to defend the basic vital interests of the working people, safeguard peace, and unite all democratic forces in the struggle for social progress.

Throughout their history the French Communists have always been champions of peace and disarmament. Today they make an important contribution to eliminating the threat of a nuclear inferno brought about by the most aggressive circles of imperialism and achieving a turn toward disarmament and international detente. Our two parties are united by the joint view that it is now necessary to halt the arms race on earth and prevent it from spreading to space through intensified efforts by all peace forces.

For decades the German and French communists, the SED and the PCF have been linked by a tested, close militant alliance. The active work of our fraternal French party for international recognition of the GDR remains unforgotten. We will do everything to further strengthen the inviolable bonds of internationalist solidarity and fraternal cooperation for securing peace. We are thus also making an important contribution to deepening cooperation between the GDR and the French Republic and to friendship between our peoples.

The SED wishes you new successes in implementing the decisions of your 25th party congress, in consolidating the militant strength and the influence among the masses of the PCF in the interest of the workers class and all working people in France.

INTERIOR MINISTER COMMENDS PEOPLE'S POLICE

AU021840 East Berlin NEUES DEUTSCHLAND in German 31 Dec 85 p 2

[Text] East Berlin (ND) -- Friedrich Dickel, minister of the interior and chief of the German People's Police, has congratulated the members and civilian employees of the German People's Police on the occasion of the New Year. He thanked them for their loyal fulfillment of duty, stating that by their multifaceted efforts in 1985 they ensured a high degree of public order and safety, and contributed to the reliable protection of worker-peasant power.

Referring to the 11th SED Congress, Minister Dickel stressed that the members of the People's Police will live up best to the new year's requirements if every one of them, each in his place, consistently and with great initiative fulfills the decisions of the party, the laws, orders, and instructions. "To always act for the citizens, and together with them, and thus to further consolidate the existing relationship of trust between the party and the people -- this constitutes a demanding task for our work."

BERECZ, HOOS, NAGY QUERIED ON 1985 DEVELOPMENTS

LD031449 Budapest Television Service in Hungarian 1950 GMT 2 Jan 86

[From the "News Background" program, presented by Gyorgy Balo; with Janos Berecz, secretary of the MSZMP Central Committee; Janos Hoos, state secretary and deputy chairman of the National Planning Office; and Sandor Nagy, secretary of the National Council of Trade Unions -- live or recorded]

[Text] [Balo] Good evening, dear viewers. As everyone knows, it is 1986. In line with the traditions of "News Background," we would like to review the events of the past year from the perspective of the year ahead of us. Since we have all experienced the past year together, we merely wish to recall the most important events and processes with headlines selected from NEPSZABADSAG. Well, after this small list of contents, let me ask you what this past year has brought you personally.

[Berecz] As far as I am concerned, it brought a significant change. For a number of years I was the editor-in-chief, that is, the commander of a central daily paper, NEPSZABADSAG, where I was in a position to give instructions. Since March, I have been some sort of chief of all the papers and consequently I can point the way -- I can say, well, well; I can raise my eyebrows; or I can smile. This is the change in my life.

[Nagy] The year 1985 brought a very significant change in my life. After working for more than a decade with youths, I became a secretary of the National Council of Trade Unions. What is important is that I was able to return to my original field, or at least more or less, because I have to deal with, among other things, matters of economic policy, standard-of-living policy, and social policy.

[Hoos] There was no great change for me in 1985. I worked in the same post in 1985 that I have held for years. Perhaps I might add that we are not pointing the way, and on occasion we are expected to follow a certain road.

[Balo] But, on the other hand, you might come across absolutely anything.

[Hoos] Yes.

[Balo] Well, let us look at what 1985 brought for the country. Here are some facts and figures. This table shows the percentage increase as compared to 1984. The column on the left shows what the plan was, and then the column on the right is the expected result. Naturally, we cannot expect that on the second day of the new year the country should have complete statistics on the previous year. Well, here you have the figures. As you have just seen, the increase in the national income failed to reach the target. The plan was to achieve an increase of 2.3-2.8 percent. This statistic is 0.0-0.5, I think this reveals the most essential facts of the past year. Then the rest: Industrial production also lagged behind, as did agricultural production. Real per capita income, real wages per earner, social incomes in terms of money will approximately reach the planned targets. Consumer prices increased by 7 percent according to the statistics. This is in line with what had been planned and is the expected figure. Likewise, investments -- the middle range between 192-194 billion [unit not specified] is 193. Well, what do these figures tell you?

[Hoos] These figures tell me that from the aspect of the plan the past year was only partly successful, unfortunately. If we look at the last figures on the tables, those show the good news.

[Balo] These are the figures relating to investment and the level of the consumer prices.

[Hoos] Yes, investment and the level of consumer prices, but also real wages and consumption by the population.

[Balo] Yes, these, the second and the third set of statistics.

[Hoos] The plan was essentially fulfilled regarding real per capita income. Real per capita wages even exceeded the plan by a small margin. The social benefits also worked out essentially in line with the plan. In other words, we succeeded in fulfilling the plan as regards distribution. However, it has to be said that this is the easier part. The negative, more unpleasant aspect is that the plan was not fulfilled on the side of resources, on the side of production. Industrial production lagged behind the plan by almost 1 percent and agriculture by 2 percent. These are the two essential branches. It follows from this, essentially, that national income is also smaller than we had planned. At the same time the surplus in the balance of trade is also smaller by approximately 18 billion. In practice it is this shortfall in exports which is responsible for the fact that the economic processes developed essentially in line with the plan in consumption, and the standard and conditions of living.

[Balo] Can anything be added to this?

[Berecz] Well, I might say that this year presented surprises in the political sphere from two aspects. First, as we said in the congress resolution, the Seventh 5-Year Plan was to be developed as a plan for accelerated economic growth, and it was stressed that the level of fulfillment of the 1985 plan was extremely important from the aspect of launching the Seventh 5-Year Plan, since this would lay the basis for a good start. This did not work out as we had expected; consequently there is a certain fear, a tension in the population. They wonder: What will happen now regarding the Seventh 5-Year Plan; did the National Assembly approve an unrealistic plan, or will we succeed in achieving significant growth, an acceleration, the fulfillment of the 1985 plan notwithstanding?

Second, as everyone knows -- even the Pioneers know; it is almost a part of the Ten Commandments -- one can only distribute that which has been produced. In other words, if in 1985 we did not produce what was planned, then in 1986 it would be difficult to introduce measures for the alleviation of the social tensions which would place a significant burden on production, on the economy. From these two aspects 1985 did not bring what we had anticipated.

[Balo] And how do you see it?

[Nagy] It is absolutely true that I regard this last interconnection as the most important one. It is natural that social policy can only follow economic achievements to some extent. However, in my opinion we must not make a fetish of this interconnection because the right social situation also affects the productive capacity of a society; I am not saying this merely in my capacity as a trade union official, but also based on the fact that even in this difficult situation certain social policy measures have been introduced beginning 1 January 1986 and in 1985 as well. I do not want to list these measures because I think that all viewers are aware of them. I am thinking here of measures connected with buying a house, with the child-care allowance, and so on. But the relationship between social policy and the economy is a very important one.

[Balo] You referred to the congress earlier. The most important political event in Hungary during the past year was this 13th MSZMP Congress. Looking back on it now, how do you see the significance of this congress? Even in relation to these figures?

[Berecz] There are always high requirements for a congress. People expect a great deal from it. They are absolutely right. After all, in a country with a one-party system, a congress which is held once every 5 years can distill rich experiences concerning the previous 5 years and exert an influence over the action, system, goals, and determination of the tasks during the next 5 years. Thus, the congress was preceded by great expectations. I might add to this that the expectations were so great that afterward society was even a little passive. It was asked: Well, when will some of the congress goals be realized, when will measures be introduced?

[Balo] If I may put it like this: Many people felt that the congress would provide an answer to the major questions.

[Berecz] They did get an answer to all the major questions, but for a period of 5 years. This is not a matter of the congress ending on 29 March and a whole series of measures being introduced by 5 April which would immediately realize the targets established at the congress. I do not know whether the presenter remembers or not, but the expectations which preceded the congress were well expressed in the fact that when the guidelines were discussed, it was asked on television as well whether these guidelines were not excessively positive and rosy. Afterward, on the basis of a social debate lasting 2 months, it appeared that society had sufficient determination to make it worthwhile to set ourselves higher targets than those which might have appeared realistic in that situation. Consequently, it was our view that the Congress spawned a society-wide consensus with its openness, with its conclusions based on an economy with an accelerating growth.

In the second half of the year the question marks began to accumulate. Even with this and despite this, it is my view that the 13th congress approved a realistic, good, somewhat courageous but necessary 5-year program.

[(?Hoos)] I would, however, add to this that expectations are in general also individual ones, and many people, enterprises, intellectuals, and workers, expected the congress to provide specific answers to their own problems. Well, the congress could not undertake to do this, if only because the solution of what I might describe as the historic tasks that the Hungarian economy and Hungarian society have to tackle can only be achieved gradually; unfortunately, this will leave open for a long time a whole range of individual problems and problems of small communities. If one expected the congress to provide an answer to all these, then this expectation was disappointed. However, the congress did determine the basic issues and the specific lines of development. I would add to this that it did not reach its conclusions on the basis of 1985. After all, however important 1 year may be, it is not possible to lay down a long-term strategy on the basis of a single year. Thus, even if 1985 did not meet our expectations in all respects, 1985 does not put a question mark in front of our entire strategy.

[Berecz] I would say that immediately after the congress there was no disappointment in society that the congress had not answered the questions of the individual or the collective. This is because a congress deals with every topic and on the whole it fulfills the demands of the whole of society. This slight dissatisfaction, or the question mark, started in the second half of the year, when we had problems that we should not have had according to the congress guidelines. And still the social reality was such that, for example, the coal supply problems of certain families, of whole villages, were increased. People then say: What has happened to the congress, the congress whose guidelines for the next 5 years had planned growth, strengthening, and a small increase in real wages compared to the fall in real wages over past years.

[(?Hoos)] But if we look at the figures, then on precisely these points the expectations for 1985 were met. It is true that in coal supply, for instance, there were serious tensions and a certain [word indistinct]. But real incomes and real wages have essentially developed according to plan. It is true that we can distribute only what we have produced -- this does give cause for anxiety.

[Balo] But one might think that there is sure to be some contradiction: It was said at the congress, and here several times, that there is a possiblity for a more lively, quickening economic development. But this year has not substantiated that.

[(?Hoos)] Economic growth has not materialized, but a more lively growth can be found in the Seventh 5-Year Plan. In 1985 we anticipated this growth a little so to speak. In practice the economic policy of 1985 was based on the policy of the congress, the essence of which is that domestic distribution should also grow -- that is, real wages, real incomes -- that investments should not diminish either, but that at the same time there should be an expansion in the economy's resource capacity, that is, production.

[Balo] There will not be another congress until 1990. How would you outline the leading political objectives of the next period and how far have we progressed?

[Berecz] Before I reply to this, let me say the following to the planners: Planning has become extremely rich and multifaceted in our country; compared to the last period, and in particular to 15-20 years ago, we have planners of great experience. We have a long-term plan which gives the planners four variations, developmental variations: an optimal one, a pessimistic one, and the intermediate ones. Also, its various elements can be changed. The Seventh 5-Year Plan was prepared in such a way that there is a basic plan; and then there is also one for more favorable or less favorable conditions. The truth is that for 1986-87 the plan has been supplemented with somewhat less favorable factors, since the 1985 plan was not fulfilled. For this reason we say that about in the first 2 years of the Seventh 5-Year Plan the impetus will have to be formed so that the remaining 3 years of the Seventh 5-Year Plan show a more lively development -- and, I would add, though it did not figure in the congress phrases, a more dynamic development. At any rate I would raise my hat to the planners.

Now, with regard to the fundamental objectives of the congress: I have made a point of reading them in preparation for this conversation, since a vast number of questions are asked in our society, and the congress really answered virtually of them. First of all, it took a stand on the side of the further building of socialism. Now, many people ask: What does socialism mean in our country today? This will have to be tackled in the Seventh 5-Year Plan every day, and we must show and explain what socialism means.

And then: more dynamic growth. What does a more dynamic growth mean in our country today? It means, as a strategic program of the congress, that young people, and scientific-technical achievements should be -- not introduced -- but forced into production in this country. [sentence as heard]

Third: The further development of socialist democracy -- the objective of which is not that Mr So-and-So should have more rights, but that these 10.5 million people, or let us say the 7.5 million who can think and take a conscious part in the life of society -- requires them to contribute with their talent, will, intention, and strength to performing the tasks facing society. And it also means that in the next 7 years we will be able to increase real wages, if not by 6 percent, which is the amount by which they fell in the Sixth 5-Year Plan, by at least 5 percent.

[Balo] I think that you wanted to say something when you were being praised.

[Berecz] When I raised my hat...

[Hoos interrupts] Yes, I would like to say thank you for this praise also on behalf of the planners, but I do not want to make excuses for ourselves. It is true that the Seventh 5-Year Plan was also made in different variations and in the end we were able to lay the foundation for a variation in harmony with the congress guidelines. It is true that on the basis of the 1985 experiences it was able to set somewhat less favorable objectives than had 1985 developed in the way we had expected. For example, if in 1985 these figures had developed according to the plan, then indeed in 1986 we could have planned not the maintaining of the level of real wages, but an increase in them. And investments would also have increased. This shows that we were obliged to adapt to reality; it is also true that there was a hard debate with the trade unions on this -- that is: Why will there be no increase in real wages, but only a maintaining of the level of real wages?

[Berecz] But before you answer that question, could I also ask something? Do the producing enterprises have nothing left in reserve from 1985 for the coming period? Have they given their all?

[Hoos] Well, there are definite signs that it is doubtful there are any reserves.

[Balo] Excuse me, we ought to rephrase this; it is not certain that everybody understood this question. So, what did you mean?

[Berecz] In 1984 our political life was a little bit unsteady and marked by tensions; and we had significant economic results. In 1985 we had a political year on the upswing, its mood was good; and the economy did not produce all that we expected. There are objective causes for this too, such as the harsh winter and the further worsening external economic situation, as well as mistakes in direction. But what I ask is, did the enterprises not say to themselves: Now we will hold ourselves back so that we can take a bigger jump later?

[Hoos] Well, there are such signs. We cannot assert this with full certainty and we do not want to condemn the enterprises irresponsibly.

[Berecz] All the more so because there is talk of some (?lack of) confidence between the administration and the enterprises and so on.

[Hoos] Yes, one hears a lot about this.

[Balo] Some say there is a crisis of confidence between the government and the enterprises.

[Hoos] I think this is highly exaggerated. It is completely natural that the enterprises and the government, and the state organs should have different opinions and views, all the more so because they have different functions -- the enterprises on the one hand and the state organs on the other. Now, it is also true, naturally, that in the past 7 to 8 years the enterprises were forced to manage under very difficult conditions. The external economic influences and these stringent conditions had to be decisively, to a large extent, borne by the enterprises. In the interest of safeguarding the living standard, we reduced investments by over 20 percent in the last 5 to 6 years.

[Balo] [Words indistinct] in the interest of reducing the living standard?

[Hoos] Well, I would say for safeguarding living standards, because the population's consumption has grown, and so have real incomes. Real wages are going down, but if I look at how the real value of incomes arising from work has developed, then I have to say that this has increased also.

[Nagy] I would like to add two things to what has already been said. One of them concerns something that Janos Hoos said, and I am glad it was he and not I who said it: that in the preparation of the 5-year plan we really did have serious debates. But, I believe, not because the trade union movement wanted to realize some unrealistic objectives and fantasies, but on the basis that we were also looking for possible solutions both in management and in distribution which could perhaps be felt by average citizens a little bit more than at present or in the past years. So much for real wages and real incomes. The other thing is closely connected with this: Nobody disputes it and I think this is really the truth, that at the cost of serious efforts our distribution indices are better than our production indices, in a certain sense.

[Hoos] I have also looked at the international data, and in the same period in the 13 most developed countries of Western Europe the population's consumption grew by nearly 0.8 percent; while in Hungary it grew by over 1 percent. In a whole series of countries -- in Holland and Belgium -- real wages have declined, while in Hungary they also declined. So, how shall I put it, we are no exception.

[Nagy] That is beyond doubt, but we must add one thing, and this is a problem for us: What this means for many people is that they have to seek the fulfillment of their economic tasks on the one hand and their personal prosperity on the other by considerable moonlighting outside their main workplace. I believe this cannot be the sole prospect for a society in the long term.

[Hoos] There is another aspect to this: As we often say, in the case of certain strata -- that is, a significant proportion of pensioners and those who are starting their careers -- the financial opportunities have been reduced and this is something that can be felt in the mood of society as a whole.

[Berecz] There are considerable tensions.

[Balo] Is this something that you blame the economy for?

[Hoos] Yes, but it follows from the differentiation process that, according to our calculations, the standard of living of approximately 20 percent of the population has fallen considerably. The living conditions of 15-20 percent have substantially improved. What is more, in certain circles there are even signs of wasteful consumption.

[Berecz] Well, this is what irritates society.

[Hoos] At the same time, the middle stratum has preserved its standard of living but, as Comrade Nagy said, it has done so at the price of a considerable effort. This stratum has been compelled merely to maintain its standard of living, to devote the equivalent of one-third of the official working day to working overtime.

[Balo] So, as I understand it, your calculation is that the standard of living for one-fifth of the population has fallen, that of about one-fifth has increased, and the standard of living of about 60 percent is unchanged but they have to work harder.

[Hoos] Yes, that is correct.

[Nagy] I would add that I think that under these difficult circumstances everyone has the chance to undertake extra work to improve his standard of living. This is still better than if this opportunity was not available.

[Hoos] But this is one of the sources of the tension in that, unfortunately, only a small proportion has this opportunity.

[Nagy] I would not say that only a small proportion has the possibility of working overtime.

[Berecz] I would like to say at this point that the possibility of engaging in some sort of enterprise -- that is, the possibility of engaging in some sort of extra activity -- is in line with our laws and regulations. The question is whether society and the work places are trying to ensure this collectively or whether the individual starts out along an individual path, endeavoring to attain these possibilities individually. When it happens along the collective path and in line with the laws society can put up with it. However, when society sees the possibility of doing it individually and when it sees rapidly growing incomes which are not necessarily regular, then society is irritated.

[Balo] What you are saying is that society is irritated by incomes gained unlawfully. This is obvious. However, I think that it is not certain that political and information circles do everything to get society to accept the extra incomes derived from extra work and extra risk, as well as the increased consumption that goes with it.

[Berecz] Well, as for the point relating to the information sphere, I did not say it. I am glad that we agree that one of the reasons why we have not yet been able to realize the differentiation on the basis of work that ought to be manifested in our society is connected with society's outlook. On the other hand, the differentiation which exists in various spheres of social activities -- not always in the sphere of production but in the sphere of redistribution of incomes, that is, in the sphere of services -- is one where it is very difficult to draw the line. There is a simultaneous presence of lawful, illegal, regular, irregular, honest, and dishonest phenomena. This is where we -- the political sphere and the information sphere -- cannot as yet act well together.

[Balo] But obviously there is also a difference of opinion, a view that -- how shall I say it -- that some sort of control must be improved.

[Nagy] Naturally. It must also be made possible for more and more people to have the chance to expand their incomes, so to speak, by their work.

[Balo] If Sandor Nagy says that, on the other hand, we must ensure that people are able to work more and to earn more during the 8-hour working day, I would not argue.

[Berecz] This was one of the main demands in the speeches at the congress.

[Nagy] Let me add something, however. Differentiation in line with performance is not just a matter of determination. There are certain socioeconomic conditions. If there is a certain -- so to speak -- average standard of living, that is, if everyone can provide an acceptable living by a normal expenditure of effort, then the extra income earned on top of this is not so irritating as when the conditions which I have just described are absent in certain strata.

[Balo] I would not wish to argue with what you are saying but there is something which I must argue with a little. Can one define an average standard of living? There are as many definitions as there are people.

[Hoos] I don't think one can give a very precise definition but nevertheless this concept is one which has to be defined, otherwise we cannot make plans. There are calculations of this sort.

[Balo] Yes, but I think that the genuinely outstanding incomes gained by genuinely outstanding work create consumption models that are not always based on the same oustanding work.

[Hoos] Yes, of course, from this viewpoint it is very complex. However it is possible to define it from the point of view of the consumption patterns which are the most widely accepted and recognized in society.

[Nagy] It is also very important that the standard of living of certain lower strata should not drop; that it should remain level or increase, because if we can achieve this we will have made considerable progress.

[Hoos] This is obviously so. Besides this, collectives at the work place and at the places of residence also have their own norms, let us not forget this. In a village with 8,000 or 500 inhabitants it is quite obvious who the people are whose standard of living exceeds this norm in a way which is irregular. However, in Budapest the norm is not the same. Here if someone takes a walk at Rozsadomb [a very expensive residential district overlooking Budapest] there are things which irritate him, yet it may be that these things are based on perfectly normal and regular social activities -- socially useful activities. Nevertheless, when the man walking there has housing problems or when his children have housing problems, this contrast is something that he finds irritating.

[Berecz] This is precisely what is involved here.

[Balo] Well, yes, this is something that I can accept. From a human point of view we can accept that this is irritating but it doesn't necessarily mean that the man in question is right.

[Hoos] But this is something that cannot be explained to everyone. On the other hand, if this 20 percent does not fall below a socially acceptable norm, if it is above it, then the tension is no longer so great. We must now devote particular attention to these approximately 800,000 people.

[Balo] I think that there is no dispute on this point. This is obviously so. However, I must go back to an earlier point now for a moment. It has been said that there are differences between the government and the enterprises. One would think that to some extent this is quite natural in any economy. It is quite natural for an enterprise to have its own interests and that these interests do not always coincide with the interests of the economy as a whole.

Nevertheless, there is a sort of mistrust in our economic life which is very difficult to handle in our experience. I am thinking of the regulators here. All economic life is based on some form of prediction. The manager of an enterprise or of a farm must know what he can expect next year or the year after. They say that it is very difficult to predict this because the regulators are constantly changing.

[Hoos] Well, it is very easy to blame the regulators for everything. This is an easy excuse. If the problems of the Hungarian economy depended on the regulators alone it is very likely that we could solve them quite quickly. I do not wish to defend the regulators. However, the regulators are also an indication of something. They indicate the economic situation and, let me add, the economic policy as well -- how, whether we like it or not, over the past few years our economic situation and our economic policy have been compelled to react flexibly to changing circumstances. This flexible adjustment to changing circumstances is something that the regulators have passed on to the enterprises.

[Berecz] Still, I suspect that the not so flexible but slightly rigid regulators contributed to the more modest results achieved in 1985. They were not the only cause and I would not wish to speak in absolute terms, but during the year the Politburo had to issue a warning to those working in the economic sphere, in agriculture, and to some extent in industry -- because the Politburo does not issue instructions -- that the regulators should be eased for 1986 because they had taken away some of the spirit of enterprise. This was particularly noticeable in agriculture, in the sphere of animal husbandry, and in the industrial subsidiary branches.

[Hoos] There is another side to this, however. There is also evidence that despite the generally strict regulators some enterprise profits still developed in line with the plan or even exceeded the plan; while we can see that the performance of the enterprises, the overall results, fell far short of the planned targets.

[Balo] Yes, this must be accepted. But, forgive me, what I said was not that the regulators were good or bad but I criticized their instability, and unpredictability.

[Nagy] The question is whether they are changed too frequently.

[Hoos] I think that the very frequent changes were typical in 1982 and 1983. In 1984-85 there were not very significant changes in the course of the year. As you said before, it might have been better to make changes at times. Thus, the problem was rather that we did not make changes when we should have done. Let me go back to the basic point, however. We can only ensure the stability of the regulators if the external influences affecting the Hungarian economy are also stable.

[(?Balo)] But they will never be stable.

[Hoos] Well, if they are not going to be then we are compelled to pass these influences on to the enterprises via the regulators. Doing this in a planned manner, with advance warning, not confronting the enterprises with unexpected and unpleasant situations during the year is another matter.

[(?Berecz)] This is partly a political comment and partly a question: We can anticipate but cannot altogether foresee the processes in the capitalist world economy. In other words, the Hungarian economy is affected by unexpected as well as predictable and expected influences from the capitalist world economy.

Can we not consider the new tendencies developing within CEMA as rather longer-term influences? Particularly now, with the new program that has been approved, cooperation in the sphere of economic and technological development, cooperation between the enterprises; won't matters be more stable on this side? I know that from the qualitative requirements aspect things have become tougher.

[Hoos] In the Seventh 5-Year Plan we are counting on the stabilizing influence of CEMA in the Hungarian economy being greater than it was in the Sixth 5-Year Plan. In this respect the agreements which we managed to reach in the course of the plan coordination work will provide a sure foundation.

[(?Berecz)] These are on the one hand bilateral agreements and, from another aspect, affect our common interests.

[Hoos] Yes, that is so. And if this comes about, this already represents a tremendous force for the stability of the regulators.

[Balo] We deviated from the agenda a long time ago -- that is, the course which I expected this discussion to take. This is not necessarily a bad thing. However, one of my tasks is to try to keep to the agenda. Thus, to move on, there is hardly a concept which has come up more frequently -- at the congress and in general -- in our everyday life than socialist democracy: democracy in public life, and democracy in the workplace. There is a process here and it is very important to develop it further, in the appropriate manner, and this is one of the foundations of economic improvement and progress. How do you evaluate the past year from this point of view?

[Berecz] It was not the 13th Congress which made the fundamental decision on this issue but the debates which took place at the end of the 1970's before the 12th Congress. By then the economic leaders had formulated the need for us to start out on a new direction of growth. In the sphere of social policy it was said that the social policy which had been developed in the boom times of the 1970's -- a social policy tending toward greater equality -- was not a viable road for us any longer because it was necessary to differentiate on the basis of participation in work, and for social policy to be based primarily on need. What is more, it was necessary to find new ways of supporting the public burdens.

At that time we discussed whether we should move toward the further development of social democracy or toward a period of stricter regulation if things became more difficult, harder, or more complex, and more decisive leadership was required. We decided the debate then: We interpret socialist democracy as the participation of every healthy, sober-minded member of Hungarian society in the discovery and sharing of problems, in working out the tasks and finding solutions to them. Whether things always work out like this is another matter, though if they had, our situation would be easier now.

Thus, the 13th congress merely reaffirmed that democracy in public life and social democracy lies partly in the new electoral system of the legislating organs and partly in the management of production units and, from another aspect, in simplifying the state administration. This is the direction we have moved in; this is what the new electoral system means along with the new system of competitive job advertising, the system of enterprise councils, the abolition of local districts, and the creation of a state administration on two levels.

[Balo] Now, I do not want to ask what the results of this new electoral system are but what the lessons are as far as you are concerned. The results are well known. Dual candidacy was compulsory everywhere except for the national list which had 35 people on it. But what are the lessons? In which direction must this be further developed?

[Berecz] You mentioned the word, process, before. A process means among other things that we learn as we go along. After all, even when it came to the Electoral Law we did not envisage the possibility of a place becoming vacant on the central list which had to be filled. So, we are learning as we go along. The new lessons must always be incorporated. Our first and more important lesson is that merely creating the framework does not ensure that the content will be perfect. A great many factors are needed, including a general will, goodwill, for this content to manifest itself. The electoral system is there, the system of multiple candidacy, and the deputies are elected in a competitive manner. Now they must compete in the National Assembly as well so that in 4 years time -- 3 and 1/2 or 4 and 1/2 years time -- the electors will greet them by saying they are glad to see them, to hear them, and to be represented by them.

There is, however, another aspect to this. The electors must get used to the idea that the deputies must also represent a central will, one which in a given situation may not necessarily coincide with local plans. In my area there is a very old brickworks, I like to refer to it as a monument. At present there is still a need for its output so those who work there are all right. But perhaps in a year's time its output will not be needed because by then the cost of production will be so high that, although it is already not competitive, by then it will not even be needed. What should we say to these people then? They will consider me to be a bad deputy; but in this specific instance one must consider the central will as well. Such conflicts exist.

Let us take the case of the enterprise councils. Few workers get into the enterprise councils. They say that they could not contribute very much to their deliberations. But they represent a kind of moral value, something which five or six manipulators do not represent. For with a little collaboration -- with nine votes against -- they can oust a manager who is doing a good job. [sentence as heard] They do not consider who will lead them well over the next few years. Thus, for me the most important lesson is that we are learning this democracy; its framework is good and must be further developed, while at the same time we must do everything to enable people to make use of these democratic opportunities.

[Balo] I think that what is involved here is not just the central will. One of the most important lessons of the elections for a journalist, for me, is that it is not universally clear what the relationship between the local and national interest is. What is involved may not be the central will but the national interest. The estimable and capable representation of the local interests very frequently counted as an excellent recommendation in the eyes of the electorate. Yet, from a certain aspect, this is some sort of criticism of the work of the local organs. Is that not so?

[Berecz] Yes, on one hand this is so. On the other hand, over the past few years we have spoken rather less about national interests; local solidarity and local interests have come to the fore.

[Balo] So you need not take steps in the National Assembly regarding the brickworks.

[Berecz] I will have to represent the national interest to the electorate.

[Hoos] I would interpret democracy more broadly than just the framework of parliamentary democracy. What I would like to add to this is that as a practical planner I consider there to be a tremendous material force in democracy. The fact that in the course of [word indistinct] various interests conflict -- let us say the interests of the trade unions or the interests of the Chamber of Commerce or the National Council of Cooperatives -- means that for the planners the problems come to the fore and, from another aspect, that a compromise, a synthesis can develop at the level of economic policy and this compromise will be understood by everyone, or at least by the majority, and this also has tremendous significance for its implementation. Going further, it has another important advantage in that it reduces the possibility of error. In a modern economy -- ours is fairly modern, even if it is small -- any decision that is made unilaterally, not permitting the various interests to confront it, leads to losses which can be measured in material terms.

[Balo] If I understand you correctly then, what you are saying is that in a given case the Planning Office -- perhaps what it means is that when you prepare a 1-year or a 5-year plan with wide-ranging scope; then you are much happier if this leads to extremely heated debates and very harsh criticisms in parliament and at National Assembly Committee sessions than if they simply say: Yes, we will adopt it; it is an excellent plan.

[Hoos] That's right. The Seventh 5-Year Plan shows this; and I say this quite seriously, thanks to very hard debates, it was possible to complete a plan which, even if it does not indicate a very rosy or very rapid dynamic development, nevertheless, we feel, represents everybody.

[Nagy] I don't think there is anything unnatural in it if I say that the trade union movement is fundamentally interested in extending this process of democratization in the wide sense, because we think that the trade union can only fulfill its basic function -- and this also applies to the partner relationship with the state administrative organs -- if it really has an opportunity to defend and represent interests and take part in accomplishing the economic tasks. To give a practical example: I have not always worked in the trade union movement but I will risk saying that there have been few occasions when a 5-year plan was prepared as democratically as the Seventh 5-Year Plan; because we held several debates on the proposals from the National Planning Office, and out of 8-10 essential recommendations 5-6 were adopted by the government in the course of the planning stage. And these recommendations were not insignificant. Of course, there were some which it couldn't adopt. Comrade Janos Hoos has already alluded to one of these. But there were others, for example the rate of price increases, where I think we were among those who advocated a reduction in this rate of increase.

[Berecz] So, democracy is a composite. It is a partly a social process which further democratizes our most recent activity such as drawing up a plan; on the other hand it is also means utilizing and exploiting new institutions which we created as we went along, such as the enterprise councils.

[Nagy] That is right. And this -- allow me to make this interjection -- in my opinion creates an absolutely new situation for us.

[Berecz] That of a competitor.

[Nagy] Well, perhaps I would not say competitor because, the way I see it, the enterprise council is a more democratic form of direction, but it does not replace the function of the trade union. So the relationship of employer-employee does not change.

[Berecz] The mistake occurs when the enterprise council first and foremost wants to represent the workers and does not want to (?improve) output.

[Nagy] That is so, I agree with that. And that is not what is there to represent; it must represent the enterprise's strategic and tactical interests. That is why the trade union also has a function in this new situation, though it is quite different and much more independent and responsible than earlier.

[Balo] Now, you said in this program that we have a very exciting, interesting political year behind us which has produced important developments but when the economic objectives did not succeed quite as you would have liked. It is obvious that politics and economics cannot be separated, but let me try to separate them for the moment. At worst you will say that it cannot be put in this way. But, in the end is policy planning in the interest of more vigorous support or for assistance for economic objectives?

[Berecz] If the major lesson of this year, as of a good many years now, is that the principal political task now is to help production and the economy... [Berecz leaves sentence unfinished]. As a matter of fact, new plans can be founded on the successful fulfillment of the annual concepts. For this reason we have decided that we will begin this year, 1986, with a wide-ranging and comprehensive regime of party days. Now, on 15 January Comrade Havasi will deliver a lecture at the Central Committee's political college on economic-political objectives connected with the Seventh 5-Year Plan and the annual plan; afterward we are hoping to prepare lecturers in an ever-growing and wider sphere; and in February a dialogue on national objectives and local tasks will be held by leaders and workers, employees, by those who elected the leaders and those who have been elected, at virtually every workplace in the framework of a national dialogue. We think that the production objectives can be really fulfilled. But a dialogue such as this is necessary to evolve an awareness which inclines us in one direction and not into a sideline seeking our own little opportunities. And if we consider that there are 800,000 party members, over 25,000 basic party organizations, a good many trade unions, after the Patriotic People's Front Congress, the People's Front committees, after the trade union congresses, if we join forces on one issue -- to fulfill the 1986 plan and to do everything in the interest of this -- then I think we would gladly undertake this discussion again in a year's time.

[Nagy] Allow me to add a sentence to what Comrade Berecz said. I am thinking of something that was mentioned at the beginning of the program when he quoted some of the congress' main political objectives and if I remember correctly spoke about the readiness for technical innovation, renewal, the involvement of young people, of the technical intelligentsia, and so on. So, to put it in more general terms, my opinion is -- and I think this is also a task of a political nature -- that we are adequately aware of the objective difficulties of the Hungarian economy. It would be a good thing if we devoted more energy to the things that do not belong in this sphere -- that is, to the things that we ourselves can change. Putting it plainly, they are the human factors, the standard of the direction of work, the standard of work performance in general, which does not necessarily depend on the changes in the current dollar-forint exchange.

[Balo] So, the truth is that you have both created fairly large opportunities for people to ask a few questions. So, I would like to propose pointblank that we consider the remaining portion of this program as training for these discussions. I will try to ask a few things which I think will be asked in most places, mainly about the economy. Well, perhaps I could start by saying that I think that a lot of people in Hungary today ask if this country has an economic strategy. What does this economy require?

[Hoos] I think it does have an economic strategy. One could easily reply: Read the congress documents and the Seventh 5-Year Plan; they itemize an economic strategy. But I will try to sum up briefly. Our economic strategy is the flexible adaptation to the changed external conditions. In practice this is what we have already been doing since 1979. And in the Sixth 5-Year Plan we made a considerable step in this direction: We reduced our debt, we improved the equilibrium.

[Balo] What, to be more precise, has happened in our debt situation in the last year because this did not figure among the statistics?

[Hoos] In the last year, unfortunately, the reduction of our debt has come to a halt. What we are planning is to make this stoppage temporary, so that from 1986 we continue to reduce our debts in such a way -- and this is a very significant change in economic policy -- that at the same time we maintain the level of domestic consumption -- that is, the population's living standard -- as well as investments, and gradually improve them.

[Berecz] My view is that this strategy has three key issues which we did not come across today and are not discussing for the first time, but if we do not take them absolutely seriously then we are not taking ourselves seriously. One is the change of product structure, the structural problem. The other thing is reconciling full employment with useful employment. You will see that it has been our slogan for 5 years and we have not achieved a significant change.

[Balo] The results have for a long time.... [Berecz interrupts]

[Berecz] They are impatient, too. Since 1977 we have had an adequate and a really good resolution to it, yet so far nobody has called us to account to see what we have done about it. And the third thing, which applies to all of society but especially to the workplaces, is the restoration of elementary discipline. Elementary discipline means working all the working hours in full, disciplined work by those who direct work so that people can work; and elementary discipline also means cooperation among the various enterprises and plants. What is more, I would add that it also means discipline among those who practice authority at different levels so that the citizen is not seen as someone who can be picked on, who can be called in several times, but as someone whose affairs must be dealt with as soon as possible, because in the morning he goes out to produce and he should feel happy in that production. So, I consider these three things to be the key elements of our strategy for the next 5-year plan. And if a party organization wants to show that it has a concrete leading role locally, if it advances in these three issues I will say it really is a leading force.

[Balo] You said something a moment ago that I must return to. You said that it was not possible to reduce the debt level over the past year, but that doing so would be a priority task from now on.

[Hoos] Yes, that is so.

[Balo] Now, some people in Hungary believe that it is not necessarily rational for us to try to reduce our debts at any price. The way I interpret this is that many people say that wherever they look, money is needed. A tremendous amount needs to be invested here, there, and everywhere [to combat] technical-technological backwardness and so on. In this connection people say and write that it might be better to involve foreign capital.

[Hoos] Our freedom of action will increase, however paradoxical this may sound, by reducing our debt level. This would demonstrate that this Hungarian economy does not live on credit; it does not live by resorting to external resources; rather, it makes its way on its strength.

What is more, it would demonstrate that the Hungarian economy is capable of reducing its debts by its own resources while improving the internal circumstances of life and the conditions at home.

[Nagy] Well, I would like to say... [Hoos interrupts]

[Hoos] If the Hungarian economy consumes more than its resources in the long run, as it did in 1985, then, unfortunately, our external reputation will rapidly deteriorate. This would considerably restrict our international freedom to maneuver.

[Berecz] Yes, the debt must be reduced, this is a priority. If the reason for it not being reduced is that I must buy coal, this is a criticism. However, if it is not reduced because I buy new modern machinery and increase my competitiveness, this is something that I can accept. There is this sort of interconnection as well.

[Hoos] Yes, but the other side of the coin is that the extent of debt reduction over the next few years is likely to be such that more can be devoted to modern technology as well as to technological development. There will be more in an absolute sense. However, I would like to say that what we can devote to this purpose even at the present time is not inconsiderable. An investment of 200 billion [currency not specified] per year is a very great deal of money. We devote almost 20 billion to science per year; this is also a very large sum of money. We are planning to increase these sums each year. Hopefully during the Seventh 5-Year Plan more will be available for technology than in the Sixth 5-Year Plan. Thus, we are trying to secure development with an economic strategy which, even if only to a modest extent, represents a substantial move toward gorwth as compared to the earlier period and, let me add, as compared to a period when the Hungarian economy was able to provide continuity of production, a supply of goods for the home market, full employment, and the social achievements which require not inconsiderable sums of money.

[Nagy] I agree with these arguments. I would like to add a very practical, simple fact. Let us take a look at the almost 50 countries which over the past few years have asked for their debts to be rescheduled. This will give us an idea as to whether this approach, this method, is capable of solving significant economic problems.

[Balo] I do not for one moment question the achievements. I am saying this with the utmost seriousness. But we could go on in this way and ask which economy or economic policy has succeeded in realizing every possible economic goal at once. A number of successful, capitalist economies said they would reduce inflation. Yes, they have succeeded, but in the meantime they face unemployment involving millions. Thus, I really do not argue this point. Nonetheless, if you were to say this at a meeting of party activists they would tell you: Look, in this country money should be invested in industry, agriculture, education, health, and so on and so on and so on.

How do you see the possibilities of selective development? Is there some sort of concept in this respect as to what is worth investing in and what the possibilities are and so on?

[Hoos] This 200 billion -- 200 billion is not a small sum of money. But if we dissipate this money then in practice it is very little. The key is really what is linked to the structure; namely that this money, which in absolute terms is a very considerable sum, must be devoted to those things which facilitate development in a very substantial way, whereas in those areas where such possibilities do not exist we must pursue very tough rational activities. The 1986 plan will hopefully provide movement in this respect. The plan selects four areas for priority attention: These are the high-rise construction industry, the meat industry, metallurgy, and coal mining. These are all very important strategic branches.

What is involved here is not a reduction but rather that management must be much more rational than in the past and that the central resources available to them must be utilized effectively.

[Balo] I do not want to exceed our program time by too wide a margin -- as it is we are likely to overrun -- but still I must ask you: How does it feel as a politician -- I am putting this rather crudely -- to make decisions on fire-brigade, tactical, everyday matters when you must sense that sometimes these tactical decisions, these fire-brigade decisions, contradict the strategic goals?

[Berecz] If there is a rather strong hold on the strategic goals as well, if we can make people understand that we have a strategy in mind even when we decide on concrete fire-fighting tasks, both whether they are in contradiction or they compliment each other, then I can live with this. The trouble arises when we cannot explain this sufficiently to the people and make them accept it. Because then there is a decrease in trust. Yet, to make fire-fighting decisions that are contrary to the strategy is only worthwhile and correct, and only succeeds when people know, believe, and trust us to have the strategic situation well in hand.

[Balo] Now, how can we say we must reduce the manufacture of products which require a great deal of materials and energy and produce goods with a considerable intellectual input when professionals at the beginning of their careers cannot be paid a little better.

[Berecz] This is a disturbing factor. In this connection I usually stress that the key question for the next few years is to direct youth and science into production. This new technology can only be fully understood, employed, and developed by young people.

All my well-meaning chief engineer friends notwithstanding, I still say that someone between 21 and 30 is closer to science and its application. To manage well is a nice and good task.

[Balo] The television newsreel featured various people talking about what they want in 1986. I will put it to you this way: What do you expect from 1986? I would, however, like realistic answers so that if we confront you with your answers on 31 December 1986 you will be able to stand up for your views. Who will start?

[Hoos] Well, perhaps I will start. What I expect is to make progress in the realization of our proclaimed principles in practice, including the system of regulators. If we do this and if external economic conditions and nature are more in our favor than in 1985, I am confident that the 1986 plan will be fulfilled, in which case we shall have made a great strike forward toward realization of the Seventh 5-Year Plan.

[Nagy] I would wish for three things, things I realistically expect: A more relaxed international situation, a good year for the economy, and a successful trade union congress. These are all connected. In general, from the point of view of all mankind, I wish every decent working man in this country to feel that he has much more to cherish than to fear.

[Berecz] I wish for a reduction in certain social tensions, an improvement in work efficiency, particularly through scientific-technological achievements, and, starting with the party days and concluding with the end-of-year meetings, even better understanding between the party and the masses.

[Balo] Thank you very much. On my part, I do not so much expect as wish that we will speak more often about our own affairs honestly and openly. Thank you for accepting our invitation.

FURTHER ON RESPONSE TO U.S. POLICY TOWARD LIBYA

Warsaw Press Coverage

LD081236 Warsaw PAP in English 1103 GMT 8 Jan 86

["Against Interference and Armed Blackmail" -- PAP heading]

[Text] Warsaw, Jan 8 (PAP) -- This is the headline of a commentary on the U.S. anti-Libyan campaign, published by the PUWP daily TRYBUNA LUDU today.

"The U.S. provocative moves, whose nature indicates preparations for aggression against Libya, and their being paralleled by Israel, has produced a dangerous situation in the Mediterranean region," says the paper and continues:

"We in Poland are watching with seriousness and concern the U.S. provocative action against Libya, a country we are linked with by the relations of close cooperation. A new impulse was given to it (the cooperation) by the recent visit of President of the Council of State Wojciech Jaruzelski who, in his talk with Mu'ammar al-Qadhdhafi, defined the directions and principles of economic cooperation that serve the development of both our countries.

"This cooperation has already produced considerable effects enriched by the toil of Polish workers. We have the right to consider attempts at the sovereignty and security of the Libyan nation also as a threat to these accomplishments, but first of all, to the security of our compatriots living in Libya," writes TRYBUNA LUDU.

"We also understand what means the announcement of U.S. anti-Libyan restrictions. We can see the effects of using this weapon in Cuba and Nicaragua but above all we experience them ourselves. Washington's declarations to 'punish' Libya with nothing else but restrictions is just another instrument of pressure and blackmail.

"Our solidarity with the Libyan nation consolidates in the face of these facts. We are on the same side of the barricade against foreign interference, force, military blackmail and all that threatens the peaceful existence of nations," the paper opined.

The Polish Army paper ZOLNIERZ WOLNOSCI writes on the same topic that "Libya, one of the most uncompromising defenders of the Palestinian cause, has become the target of U.S. blackmail. Uncle Sam has decided to punish Libya for these very efforts to back the Palestinians' rights.

"Meanwhile, however, the 'hawks' in Washington were given a rather chilling shower that stripped them of all their appetite for warfare. This sobering up treatment was first of all provided by the Syrian reaction and the support given to Libya by Arab countries. It has become clear that aggression against Libya would mobilize the Arab world for a coordinated action, whereas unification of the world does not lie in the interest of the United States, and even more of Israel," ZOLNIERZ WOLNOSCI wrote.

Efforts to get the NATO allies to participate jointly in the military adventure against Libya failed too. Other blackmail attempts have no chances for success either.

Also a popular Warsaw daily, ZYCIE WARSZAWY expresses the conviction that the U.S. moves against Libya will prove inefficient as it writes that:

"A notion is becoming increasingly common that the United States has inaugurated a new stage in the campaign against Libya -- which has ended in a fiasco several times already -- under the cover of anti-terrorist struggle," it wrote.

Sanctions Result in Arab Unity

LD081301 Warsaw Domestic Service in Polish 1105 GMT 8 Jan 86

[Andrzej Walatek commentary]

[Text] As we have already reported, President Ronald Reagan has announced the introduction of economic and trade sanctions against Libya. Here is our commentator, Andrzej Walatek:

It was to be expected. According to agency information, however, the President did this in a manner unworthy of the head of such a great country: He insulted both the Libyan nation and its leader. Reagan justified his discriminatory action with the need to fight international terrorism, while not providing any proof at all.

Who will be the loser in the introduction of sanctions? It is well known that the trade turnover between Libya and the United States is at such a minimum that its suspension will not affect the Li an economy. The only losers, if they submit to the President's appeal, are the allies of the United States, since, for example, Italy exports more to the Arab countries than it does to the United States. West Germany imports the greatest quantity of crude oil primarily from Libya; it will therefore be difficult for West Germany to submit to these egotistical demands.

On the other hand, as the agencies emphasize, Reagan's anti-Libya speech enormously strengthened the unity of Arab countries and increased Al-Qadhdhafi's popularity. Thus, the latest Washington move has proved an unintended reaction: It has strengthened the solidarity of the Islamic countries; it has deepened the frustration of its allies; and it has increased tension in the Mediterranean region where U.S. Armed Forces have been concentrated.

Are the sanctions against Libya the end of the aggressive moves? President Reagan stated yesterday that the United States is ready to undertake further steps. This is a very dangerous way of putting things.

But the situation can still be brought under control, the Soviet daily IZVESTIYA wrote yesterday. The question remains: Is Washington capable of making a decision in the spirit of restraint, aware of its responsibility to the future?

Further Sanctions Dangerous

LD081833 Warsaw Domestic Service in Polish 1800 GMT 8 Jan 86

[New York Dispatch from Grzegorz Worniak]

[Text] President Reagan admitted at Tuesday's [7 January] news conference that Washington is not interested in resolving the conflict with Libya. On the contrary, it does everything to aggravate the conflict and give it wider international character. The President announced an immediate and total embargo on all contacts with Libya along with a further escalation of repressions against Tripoli.

The trade embargo is of no great importance, as the U. S. turnover with Libya is minimal. But opening the way for further sanctions is dangerous in itself. The United States is again usurping police privileges for itself in international relations. It is also worth adding that the main headquarters [as heard] in Washington does so against the interests of their allies and contrary to the lesson of history that proves police methods lead nowhere.

ORZECHOWSKI EXPRESSES SOLIDARITY TO LIBYAN ENVOY

LD081844 Warsaw PAP in English 1714 GMT 8 Jan 86

[Text] Warsaw, Jan 8 -- Poland's Foreign Minister Marian Orzechowski received here today Secretary of the People's Committee of the Socialist People's Libyan Arab Jamahiriyah to Poland Sulayman A. Oreibi in connection with the situation in the region of the Mediterranean threatening peace and resulting from U.S. and Israeli provocative actions.

During the talks, Minister Orzechowski stressed that the Polish people and government were deeply concerned over U.S. perilous policy, hostile to the Libyan Jamahiriyah, a sovereign state, member of the U.N. and other international organizations and an active member of the Movement of Non-aligned States.

Poland condemns anti-Libya course of U.S. and Israeli policy and economic restrictions, imposed on the Libyan Jamahiriyah by the U.S. Government, as contradicting international law. It also voices its solidarity with actions by the Libyan Jamahiriyah to defend its independence and sovereignty.

EXCHANGE OF REPRESENTATIVES WITH ISRAEL DELAYED

TA090530 Jerusalem Domestic Service in English 0515 GMT 9 Jan 86

[Text] Poland is delaying the announcement of its exchange of diplomatic representatives with Israel for fear of harming its ties with Libya. This has been reported by our special correspondent in Warsaw, Yisra'el Segal.

The announcement of the resumption of ties between Poland and Israel was to have been made in the next few days. Poland has extensive trade relations with Libya and thousands of Polish engineers and technicians are working there. The Polish government spokesman confirmed that the Polish representative will serve in Tel Aviv, while his Israeli counterpart will be stationed in the Dutch Embassy in Warsaw.

GWIAZDA NOTES DELAYS IN GOODS DELIVERIES TO USSR

LD090029 Warsaw Television Service in Polish 1830 GMT 8 Jan 86

[Text] The 29th meeting of the Polish-Soviet Intergovernmental Commission for Economic and Scientific-Technological Cooperation has ended its work in Moscow. Deputy Premiers Wladyslaw Gwiazda and Aleksey Antonov, cochairmen of the commission, signed a protocol on the meeting. A series of agreements was also concluded, concerning specialization and cooperation in production to the end of the 20th Century.

[Begin recording] [Unidentified reporter] Deputy Premier Gwiazda, how do you assess the course of the meeting?

[Gwiazda] During the meeting, we analyzed the problems of economic cooperation between our countries in the previous year. We assessed the current state of economic cooperation, and we also examined the commission's tasks for the years 1986-90. However, we concentrated our attention mainly on the fulfillment of tasks resulting from the Long-Term Program of Economic and Scientific-Technological Cooperation Between Poland and the Soviet Union to the Year 2000. At present, we have behind us the stage of legal and organizational preparations, and we are at the beginning of the stage of concrete implementation of the tasks resulting from this program. In this context, we very positively assessed the results of work on the coordination of plans between our countries up to 1990. Unfortunately, we cannot relate this positive assessment to the fulfillment of the obligations of 1985, especially the fulfillment of Polish obligations in relation to our partners. At the end of the year we noted serious delays in deliveries of coal, cement, rolled products, and also of machines and equipment. This is against the background of the total fulfillment of obligations by the Soviet Union in relation to Poland.

The meeting also discussed transportation matters, problems of branch cooperation, as well as problems of cooperation -- the direct cooperation of production enterprises of the Soviet Union and Poland. During discussions at the meeting, we did not spare each other: There were many critical remarks, particularly in connection with the somewhat slow bringing into production of new and modern goods, and also the somewhat slow rise in the quality of already produced goods, in relation to current needs. All in all, however, the meeting was interesting, and I think that it was very useful. [end recording]

POLISH-FRENCH ECONOMIC COMMISSION MEETS

LD090027 Warsaw PAP in English 2107 GMT 8 Jan 86

[Text] Warsaw, Jan 8 -- A meeting of the Polish-French intergovernmental commission for economic cooperation, devoted to the evaluation of development of bilateral trade turnovers and prospects and conditions for future cooperation, began here today, more than four years after the last one, in September 1981.

The last few years have not brought positive results in Polish trade relations with France and have been marked by a considerable fall in trade and industrial cooperation.

In the record year of 1980, bilateral trade amounted to 1,340 million dollars, last year to only about 450 million dollars.

In the peak period of trade exchange, Poland and France were bound by 17 bilateral industrial cooperation agreements, while in the 1980's no new agreements have been signed.

The resumption of contacts at the intergovernmental commission's level fosters hopes that this unfavourable period in Polish-French economic and trade relations has a chance to end on a positive side.

TV DIRECTOR'S RESIGNATION NOT ACCEPTED

LD081621 Warsaw PAP Maritime Press Service in Polish 1200 GMT 8 Jan 86

[Text] [no dateline as received] -- Technical distortions during the radio and television broadcast of the New Year conversation with the chairman of the Council of State have achieved nationwide notoriety.

The broadcast was poorly recorded. A so-called reverberation interfered with reception. In connection with this, Aleksander Pereczynski, director general of the broadcasting committee, publicly submitted his resignation.

The premier has decided, in accordance with the suggestion of the chairman of the Council of State, not to accept this resignation, but rather to issue reprimand.

The entire affair was the result of faulty work by sound operators and other employees.

MEAT TO BE SOLD OUTSIDE RATIONING SYSTEM

LD072132 Warsaw Domestic Service in Polish 1105 GMT 7 Jan 86

[Text] Here is Anna Andrzejewska with last-minute news:

An hour ago, in the Ministry of Domestic Trade, journalists were informed about a new system of selling meat outside the rationing system. I have asked Deputy Minister Stanislaw Bragiel to comment:

[Begin recording] [Bragiel] The essence of the changes which are being introduced -- naturally, after publication of the appropriate legal regulations in the official gazette -- rests on an experimental restoration of market-place trade. A considerable amount of meat products is not getting to socialized shops. Therefore, opening the way for the legal sale of meat surplus by restoring market-place trade, on one hand, should help to improve supplies for the population, and on the other, will improve safety by improving the health conditions of meat articles.

[Andrzejewska] For the time being, this will be allowed in only three voivodships?

[Bragiel] Yes. In Tarnobrzeg, Leszno, and the Warsaw agglomeration. The experiment permits the sale in marketplaces of meat which is presently rationed. This means pork, beef, and veal.

[Andrezejewska] Prices will not be controlled?

[Bragiel] Prices will be agreed upon between seller and customer.

[Andrzejewska] They could go sky-high.

[Bragiel] On the contrary, we think that the introduction of the legalized sale of meat will lower prices, especially as the experiment provides for the producer to also be the seller, with no intermediaries.

[Andrezejewska] I would have thought that the coastal regions or Silesia would have been selected for such an experiment.

[Bragiel] I would emphatically like to stress that territorial limitations apply only to the experimental phase. Later there will be no need for any territorial limits. [end recording]

RESPONSE TO U.S. POLICY TOWARD LIBYA REPORTED

Sanctions Termed 'Noxious'

AU090956 Bucharest AGERPRES in English 0920 GMT 9 Jan 86

["The Way of Economic Sanctions Running Counter to the Interests of Peace and Collaboration, to the Principles of International Legality" -- AGERPRES headline]

["Text] Bucharest, AGERPRES 9/1/86 -- A commentary titled as above in SCINTEIA of January 9, reads:

The Romanian people has shown deep concern over the news that the United States instituted economic sanctions against Libya, sanctions which added to similar measures adopted some time ago, provide for halting any direct economic activities with that country, a total ban on trade and any other transactions, including travels. The declaration of the Romanian news agency AGERPRES voices this concern and the position of the Romanian public opinion.

The imposition of the sanctions mentioned is in line with the most serious evolution of American-Libyan relations of late, which could only worsen bilateral tensions and also trigger negative effects on the international life. It is known that in this context threats of military actions, of the use of force had been heard -- which aroused deep concern in the widest circles. For, the application of economic sanctions is also a manifestation of the policy of force, an action which could bear but negatively on the international political climate.

Our country's position on this issue is a consistent, deeply principled and constructive one. Romania has always stated against any economic barriers, restrictions and sanctions directed against independent and sovereign states, seeing them as an encroachment on international law and justice, practices which run counter to the principles in the UN Character, in other international documents.

It is incontestable that in the international life, as well as in the entire social activity, economic or other sanctions could not but trigger profoundly negative political consequences, affect the general political climate, aggravating tension, raising new obstacles in the way of good coexistence, collaboration and understanding among peoples, upsetting and disrupting the world economic life. With good reason one can wonder: In today's world, darkened by so many clouds, where the persistence of hotbeds of conflict generates big dangers to the cause of peace what is the use of actions meant to foment animosities, to sharpen tension and antagonisms?

In particular, a tenser situation is created in the Mediterranean and the Middle East, where the persistence of the hotbed of conflict has permanently and most seriously endangered peace. The Romanian people expresses the regret that at a time when tangible actions were expected for an improvement of the volatile situation in that area, for a passage to a just and durable solution to Mideast issues, measures are taken which cannot but further complicate issues and make a solution even more difficult to reach.

Romania believed and believes that no reason whatsoever can justify the application of suchlike reprisals. In Romania's outlook no state can be "punished" for its orientations, for disagreements or different positions, the practice of sanctions against independent and sovereign states cannot be part of politico-diplomatic means of action. It is a fact that given the immense political diversity of today's world, there are numerous cases when the social system or political, ideological positions of some states may differ altogether from other states'. Could this be a reason to pass to economic or political reprisals?

Where would this lead to, how would the world look like, how could the course toward detente desired by people, the implementation of the principles of peaceful coexistence ever be promoted?

In the international life, measures like pressure or reprisals, embargoes or blockades have always proved nefarious. Instead of solving problems, like measures have never led -- and cannot lead -- but to the complication of things. As a matter of fact international experience shows that besides being noxious such like practices are also unproductive.

Noteworthy is also the fact that, although the institution of the aforementioned measures is viewed as having a bilateral character, it bears in fact on the development of the world economic relations. As is known, the economic crisis which affects in one form or another all the countries of the world, the developing ones in particular, continues to be strongly felt in the world economy. It is especially in such conditions that the interests of all peoples, the demands for progress of all countries require measures for the recovery of the economy, for the expansion and amplification of commercial exchanges, the intensification of collaboration and cooperation among all states, on the basis of equality and mutual advantage. Certainly, the recourse to like measures runs counter to these demands.

Announcing the institution of sanctions against Libya, the United States called upon other states to join these measures. Yet, the fact is highly significant that even states allied to the United States within NATO, even countries which are closer to it politically or geographically dissociated from such measures. At the same time, the actions announced were disapproved by numerous other states -- as shown by the reaction on various meridians, and even in the United States. The truth is ever better understood in the world today that it is not the way of force, the way of pressures and sanctions that leads to the settlement of interstate issues, and that these problems can and must be solved by peaceful, political means, by way of dialogue, contacts and negotiations alone.

Along this line, public opinion in Romania, the Romanian people express their hope that the announced measures will be given up, that a constructive spirit will prevail over and govern the actions of all states. The interests of international peace and collaboration require strict observance of the principles of the international law, the creation of conditions for the development of broad relations based on equality and equity among all the states, the manifestation of abstention and calm by everybody so as any measure be avoided which is apt to deteriorate still more the current situation. This is a major demand, an essential prerequisite for the consolidation of peace, detente and understanding on this planet.

AGERPRES 'Declaration'

AU081320 Bucharest AGERPRES in English 1307 GMT 8 Jan 86

["Declaration of Romanian News Agency AGERPRES" -- AGERPRES headline]

[Text] Bucharest AGERPRES 8/1/1986 -- Public opinion in our country is greatly worried about the aggravation of the situation in the Mediterranean, about the threats of military intervention and the setting of economic sanctions on Libya.

Romania considers that any action of recourse to force and threat of force is in utter contradiction with international norms, with the principles of observance of the states' independence and sovereignty and they must therefore be resolutely rejected. The recourse to such actions can only heighten the tension in the region, open the way to new military conflicts with very serious repercussions for the whole world's peace and security.

At the same time, in the spirit of her policy of peace and collaboration, Romania reiterates her steadfast position vis-a-vis the necessity to intensify the political-diplomatic efforts and actions with a view to solving the Middle East issues by political means and to convening a UN-sponsored international conference to this end, which should be attended by all parties concerned, inclusive of the Palestine Liberation Organization, as well as the USSR and the United States and other states which can make positive contribution to the settlement of the problems in that region.

Romania believes that under the current particularly serious international circumstances, it is more necessary than ever before to do everything possible to eliminate force and the threat of force from interstate relations, to settle all litigious issues only by political means, by negotiations which, however long or strenuous, are always better than military solutions or any other actions based on the use of force which can cause great losses and damage to peoples, can poison the international atmosphere and endanger the world peace.

SCINTEIA CITED ON OPPOSITION TO THREAT OF FORCE

AU081016 Bucharest AGERPRES in English 0930 GMT 8 Jan 86

["For the Banning of Force and Threat of Force in International Life" -- AGERPRES headline]

[Text] Bucharest AGERPRES 8/1/1986 -- The Bucharest daily SCINTEIA publishes in its January 8 issue the following article by V. Alexandrescu running under the above headline:

It is with profound worry that public opinion in our country and the world over notes that international life has been witnessing of late new noxious manifestations and most dangerous actions of a nature to seriously threaten world peace. These evolutions are the direct result of the policy of recourse to force and threat of force which has always proved to be so nefarious for the peoples' destiny, for international peace and stability. Starting precisely from this so dangerous situation, Comrade Nicolae Ceausescu stressed in his New Year message and in the address made on receiving the heads of diplomatic missions the imperious demand of abstention from the use of force and from threat of force in international relations. "Under the current international circumstances," the Romanian head of state said, "it is necessary that everything possible be done for the banning of force and threat of force, for the settlement of all disputed issues only by political, negotiated means."

The firm, resolute rejection of the policy of strength is a cardinal principle, a basic orientation of Socialist Romania's entire foreign policy and activity. With steady perseverence our country, President Nicolae Ceausescu have always declared and acted in absolutely all circumstances, for non-admittance of force as a means to solve inter-state issues. Blaming and condemning such practices, unmasking their aggressive character Romania has shown that the recourse to force, to military means, apart from causing to [as received] peoples destruction and suffering, can only poison the international atmosphere, render the settlement of the issues still more difficult and things still more complicated, heighten the tension and mistrust and bring about germs of new conflicts.

Romania has shown and stresses most firmly and clearly that the recourse to force is the more noxious and dangerous under the current conditions of an overarmed world in which the huge arsenals of nuclear and other mass destruction weapons have brought about the continuous mounting of international tension.

It should be clearly understood that more than ever before, now, when the flames of any fire can quickly extend to wide areas of the planet and can cover the whole globe, the way of force has to be definitely eradicated in all its forms, eliminated definitely from international life.

These are not general, abstract considerations. They are stringent, practical requirements. So, profound worry has been aroused by the fact that new manifestations of such a policy, of recourse to armed means as a modality of action for the settlement of disputes have been manifest lately in international arean. For reasons of "riposte" to some profoundly reprovable events as attacks and other terrorist actions commited lately and blamed right away by world public opinion, threats have been heard of use of force, voices calling for "reprisals", for overt acts of war, for military actions against sovereign, independent states, for economic and other kinds of pressure. Moreover, threats have been matched also by practical military measures and this has resulted in a most dangerous, acute situation.

In this connection Socialist Romania's position is very clear. Our country has always rejected the terrorist practices that are quite alien to its conception and outlook about the methods of international activity. Socialist Romania has considered that the terrorist actions cannot lead to actual settlement of issues or litigations, that they can by no means replace the political action, cannot substitute settlements in accord with norms of legality. Moreover, as they often do harm and affect innocent persons, these acts arouse reproval and condemnation, indignation against their authors. In this spirit, Romania has integrally sustained the recent resolution of the UN General Assembly which unequivocally denounces all terrorist acts, manifestations and practices, irrespective of the place where they occur and of their authors. Our country's recent stand of firmly condemning the terrorist attacks at the airports in Rome and Vienna has been yet another expression of this principled, steadfast orientation of Romania.

Likewise, Romania considered and considers that such highly reprovable acts must not determine and cannot be called under any circumstances as reasons for the threat and use of force.

Considering the high tension worldwide, nobody can be allowed to resort to measures which could kindle a war. Mankind, people want peace to strengthen -- not to be undermined; the resumption of the course toward detente -- and not the mounting of tension; the consolidation of legality -- not an escalation of its infringement. The threats of force, the shows of force, the recourse to other forms of pressure on sovereign, independent states are completely inadmissible, run counter the UN Charter, the principles of international relations, seriously endanger peace and international stability. Just as nothing can justify terrorists' attacks and actions, no reason whatsoever can justify the recourse to and the threats of force.

Things ought to be seen realistically and lucidly. In a world of inderdependences, the recourse to force, armed interventions, military actions, the ripostes these actions may generate, create big risks of escalation and deterioration, of extension of conflicts with unpredictable consequences for world peace. The truth is that in the contemporary world there are already many hotbeds of conflict -- this being one of the major causes which bears upon the world political climate. The interests of peace, people's will call for their settlement, their political and negotiated termination -- and not in least to create or stimulate the emergence of other conflicts. At a time like this utmost restraint should be shown concerning any impulsive acts, any calls to the escalation of violence. President Nicolae Ceausescu's words are most topical as he pointed out that it was easier to prevent the outbreak of a conflict than to subsequently extinguish it.

Romania feels that it is profoundly regrettable that like threats of force -- never acceptable -- were made at the very beginning of this year, proclaimed by the UN the "International Peace Year". In the spirit of this year's aims, people's ardent wish is to do everything possible to consolidate peace, to promote detente -- and not to work for the recrudescence of acts of force which heighten the tension already existing. The fact should be recalled that at the end of the last year, the UN General Assembly endorsed Romania's initiative regarding a solemn appeal addressed to states in conflict to peacefully solve their differences and a solemn pledge of all states to refrain from the threat and use of force and to solve litigious issues only by pacific means. The unanimous adoption of this document creates for all the member states which backed it -- and among these states these are some where threats of reprisals and recourse to force were heard -- the obligation to respect it as such. Just as the recent UN resolution on the repudiation and condemnation of terrorist acts should be rigorously observed.

In the light of peace's major interests, people everywhere, Romania think that everything possible should be done to stop at once, without delay, developments conducive to a worsening of the international situation. It is stringently necessary to show restraint, calm, to approach international issues and disputes by exclusively political means, excluding military actions and the "clatter of arms". It is stringently necessary to have reason, lucidity, a constructive spirit prevail, as well as a high responsibility which should be shown in any action taken in the international life. It is only in this way, only in a responsible way that peace and detente can be promoted, stability increased and confidence built, it is only in this way that real solutions can be found to the acute problems of the international life, in keeping with people's aspirations for peaceful development.

ELENA CEAUSESCU CELEBRATES BIRTHDAY 7 JAN

Honorary Ceremony Held

AU071722 Bucharest AGERPRES in English 1616 GMT 7 Jan 86

[Text] Bucharest, AGERPRES 7/1/1986 -- During a ceremony arranged in Bucharest on Tuesday, January 7, Elena Ceausescu, member of the Executive Political Committee of the Central Committee of the Romanian Communist Party, first deputy prime minister of the Socialist Republic of Romania, chairman of the National Council of Science and Education, was feted on her birth and on her long-standing revolutionary activity.

Together with Nicolae Ceausescu, general secretary of the Romanian Communist Party, president of the Socialist Republic of Romania, also attending the ceremony were full and alternate members of the CC of the RCP Executive Political Committee, CC of the RCP secretaries, members of the State Council and of the government.

In that framework, Comrade Elena Ceausescu was hand-delivered a letter of the CC of the RCP Executive Political Committee by Constantin Dascalescu, member of the CC of the RCP Executive Political Committee, Romanian prime minister.

PEC Sends Congratulatory Letter

AU071724 Bucharest AGERPRES in English 1600 GMT 7 Jan 86

[Text] Bucharest, AGERPRES 7/1/1986 -- The Executive Political Committee of the CC of the RCP sent a letter to Academician Elena Ceausescu, D.Sc., member of the Executive Political Committee and Romanian first deputy premier, whereby she is conveyed congratulations and wishes on her birthday.

The letter highly assesses Elena Ceausescu's activity in the revolutionary movement, in the party and state leadership, with emphasis placed on her contribution to the drafting and implementation of the country's economic and social development programmes, the improvement of society's organization and management, the progress of scientific research and application of its results, the development of Romanian education and culture.

Moreover, the Executive Political Committee highlights Elena Ceausescu's tireless activity in the service of the lofty ideals of understanding, collaboration and peace among nations, in defence of the individuals' foremost rights showing appreciation for her contribution to the promotion of our party's and state's foreign policy, the strengthening of Romania's friendship and collaboration with all the socialist countries, the developing and non-aligned countries, with all the states of the world.

At the end of the letter, the Executive Political Committee of the CC of the RCP addresses Academician Elena Ceausescu, D. S., wishes of further successes in her entire activity in Romania's party and state leadership.

Media Coverage of Birthday

AU071925 [Editorial Report] Bucharest radio and AGERPRES on 7 January 1986 extensively cover the celebration of First Deputy Premier Elena Ceausescu's birthday. All morning and midday radio casts lead with a brief item noting her birthday, without specifying her actual age. The late afternoon and evening casts also carry reports on special events devoted to Elena Ceausescu, such as the Bucharest ceremony attended by party and state leaders, where she was handed a congratulatory letter from the Political Executive Committee of the RCP Central Committee, covered in the referent AGERPRES items; in addition, Bucharest Domestic Service at 1800 GMT announces that "the Political Executive Committee of the party Central Committee gave a comradely dinner in honor of Comrade Elena Ceausescu's birthday."

The 0900 GMT AGERPRES press review for today indicates that the Romanian dailies also devote extensive space to this event. Here is the relevant AGERPRES press review excerpt:

On January 7 the Romanian press mirrors extensively the homage the entire Romanian people is paying to Academician Elena Ceausescu, D.S., on her birthday. Articles in special pages carried by the newspapers present the personality and activity of the Romanian politician and scientist. "SCINTEIA" runs homage-paying articles signed by Lina Ciobanu, member of the Executive Political Committee of the RCP, chairman of the General Union of Romanian Trade Unions Central Council, and Academician Radu Voinea, president of the Romanian Academy, that highlight the contribution Elena Ceausescu has made to the economic, social, cultural and scientific development of the country, the audience her scientific work enjoys with the specialists in Romania and many countries in the world. The same newspaper carries the article "A Vast and Prestigious Activity for Fulfilling the Noble Goal of Science -- To Serve Peace and the Progress of the Whole World." Articles by university staff, heads of economic units, workers, and technical staff appear in ROMANIA LIBERA, SCINTEIA TINERETULUI, the Hungarian-language newspaper ELORE and the German-language one NEUER WEG, evoking the life and activity of Elena Ceausescu and expressing feelings of esteem and appreciation for her contribution to the development of the national science, education and culture.

The whole press informs readers that the book "Research in the Field of Chemistry and the Technology of the Polymers" worked out by Elena Ceausescu has been put out in Italy, and report at length the ceremony with which this book was released in Milan.

DUMA MEETS TURKISH PRESIDENT IN ANKARA

AU041631 Bucharest AGERPRES in English 1426 GMT 4 Jan 86

[Text] Ankara AGERPRES 4/1/1986 -- Aurel Duma, minister secretary of state at Romania's Foreign Ministry, called on Kenan Evren, president of the Republic of Turkey. On the occasion, the Turkish head of state was conveyed, on behalf of President Nicolae Ceausescu, a message of friendship and best wishes of good health and personal happiness alongside prosperity to the Turkish people.

Thanking for the message, the president of Turkey asked that the Romanian head of state be conveyed his cordial salute and best wishes of good health and happiness alongside prosperity to the Romanian people.

Evoking with particular satisfaction the fruitful talks he had with President Nicolae Ceausescu in Bucharest in June 1985, President Kenan Evren expressed the wish to continue the summit dialogue, to develop and amplify the relations between Romania and Turkey in all the planes, to expand the collaboration between the two states for the promotion of the cause of peace, disarmament and international understanding.

MESSAGE SENT TO 12TH INDIAN CP-MARXIST CONGRESS

AU012042 Bucharest SCINTEIA in Romanian 25 Dec 85 p 5

[Text] To the 12th Congress of the Communist Party of India-Marxist [CPI-M]:

Dear comrades, on behalf of the RCP and its secretary general, Comrade Nicolae Ceausescu, we convey to you, the delegates to the 12th congress, all party militants, and to all working people in India warm comradely greetings and wishes for fresh successes in the party's future activity on the occasion of the 12th Congress of the CPI-M.

The Romanian Communists and the working people in the SR of Romania are following with interest and with feelings of solidarity the activity carried out by your party dedicated to promoting the interests of the working people and the aspirations for social progress, well-being, democratic development, peace, and understanding among peiples.

Devoting all its efforts to implementing the decisions and goals put forward by the 13th RCP Congress, the Communist and working people in the SR of Romania consistently promote and advocate a halt to the aggravation of the international situation as well as the defense of people's and nation's supreme right to existence, life, freedom, and peace.

Dear comrades, wishing you complete success in the progress of your congress proceedings, we want to reaffirm on this occasion our satisfaction with the constant development of relations of friendship and comradely cooperation between our parties. We also want to express our conviction that those relations will constantly develop in the interests of our peoples, of the solidarity among all anti-imperialist, progressive, and democratic forces, to the benefit of achieving a better and more just world, and in the interest of understanding and cooperation among peoples.

RCP Central Committee

REAGAN'S SANCTIONS AGAINST LIBYA 'ANTICLIMAX'

AU081656 Belgrade Domestic Service in Serbo-Croatian 1400 GMT 8 Jan 86

[POLITIKA correspondent Dusan Simic report from New York]

[Text] The news of the day connected with the U.S.-Libyan confrontation has come from Washington. U.S. President Ronald Reagan at a press conference announced an economic blockade of Libya instead of military measures. Dusan Simic, POLITIKA correspondent, reports from New York:

It was an anticlimax after the tension maintained for days. Last weekend, the possibilty was loudly proclaimed here of military retaliation against Libya because of its claimed complictiy in terrorist bloodshed at the Rome and Vienna airports.

Instead of the predicted armed strike, President Reagan at his press conference last night announced merely economic sanctions against Tripoli; these are sanctions which in themselves will hardly have any particularly strong effect. The U.S. President with his decree now ordered that all further trade with Tripoli be stopped, and demanded that all the Americans still in Libya should leave the country at short notice.

If the press conference held last night confirmed anything, it was the impression that in the struggle against the challenge of terrorism, the hard option is very risky for a big power with global involvements and a global presence, unless the culprit is precisely determined and the target is precisely located.

LCY PRESIDIUM ENDORSES DRAFT POLITICAL ANALYSIS

LD262056 Belgrade TANJUG Domestic Service in Serbo-Croatian 1603 GMT 26 Dec 85

[Text] Belgrade, 26 Dec (TANJUG) -- At a session presided over by Dimce Belovski, the LCY Central Committee Presidium endorsed draft conclustions on the tasks of LC organs and organizations in connection with the critical analysis of the functioning of socialist self-management political system. The draft conclusions will be discussed at the next Central Committee session.

The Presidium noted that the critical analysis was based on guidance and views on the development of the political system, which are contained in LCY program documents. Assessments and proposals which, after a comprehensive analysis of experiences and weaknesses, and debates held in the Federal Social Council and in the public contained in the analysis, point at guidelines for activity to promote the system's funcitoning and development. The document points out necessary changes of and addenda to constitutional provisions and other legal and normative documents, as well as improvements in the activity of the LCY and other organized socialist forces.

A public debate, which will be held in the Socialist Alliance, should set in motion the widest action of subjective forces aimed at the further democratization of society, freedom of expression, the effective coordination of the pluralism of self-managing interests, and the construction and successful functioning of our constitution-based system of social production, in which workers themselves will be responsible for the conditions, resources, and results of their labor and will insure the realization of their common and general social interests and the expansion of self-managing integration of associalted labor on the uniform Yugoslav economic territory.

The public debate should be open for proposals and ideas geared toward the improvement, promotion, and successful functioning of the political system, the strengthening of the role of self-managing associated labor, the equality of the nations and nationalities, and the unity and fellowship of our federative community. At the same time, it is the duty of Communists to resolutely oppose attacks on the foundations of the entire political system of socialist self-management.

The public debate in connection with the critical analysis of the political system of socialist self-management will be summed up by the SAWPY Federal Conference. Emphasis should be placed on the LCY organs and organizations' views and guidance. The resume of proposals and suggestions made at the public debate, together with the critical analysis, will serve as the basis for further work aimed at the development of the political system and the promotion of its functioning, as well as the preparation of documents for the 13th LCY Congress.

The Presidium also examined and approved the LCY Central Committee draft views on ideo-political issues concerning the realization of a worker's constitutional status in the disposal and control of income and social reproduction resources, which will be submitted to the Central Committee for discussion and adoption at the next LCY Central Committee session. Draft views were prepared and submitted to the Central Committee by a commission, set up at the 18th LCY Central Committee session, and on the basis of the results of a discussion which lasted several months. The Presidium convened the next, 24th, session of the LCY Central Committee for 14 and 15 January 1986.

Drafting Process Criticized

AU180924 [Editorial Report] Belgrade POLITIKA in Serbo-Croatian on 16 November on page 6, on 17 November on pages 7-8, and on 18 November on page 5 carries a 5,500-word article by Najdan Pasic under the general title "On the Margins of Political Documents," which is a condensed version of a study that "is shortly to be published" and which "describes how political documents are 'produced' in our country and what their ideological scope is," as POLITIKA remarks in an introductory note.

Pasic bases his article on the preparation of the critical analysis of the functioning of the political system, which was decided upon by the LCY Central Committee Presidium 3 years ago. A working group was set up for the purpose and it was sought "to postpone a public democratic dialogue on these questions until agreement is reached internally in respective political bodies," but the effect was that discussions "began without clearly defined idological starting points."

A creative critical attitude, "which is an essential quality of every revolutionary movement," according to Pasic, "has for a number of years been blocked by pragmatic political interests of certain part of the professional political administrative strata. In our political practice in the past few year, especially in the practical activities of the LC, precisely the things that are most important are more and more evidently lacking: readiness to change and to reject everything that in specific normative regulations and in their practical application has not withstood the real test in life" and that has been found inadequate.

"Such a 'state of mind' in the party is also being expressed in the nature and content of party documents (conclusions, resolutions, positions, platforms). They are becoming more and more numerous, and their action and mobilizing effect is as a rule lesser and lesser. The party membership and the wider political public expect and welcome these documents which are announced in advance, with interest and hope, and they receive and accept them most frequently with perplexity and even disappointment."

"It is also obvious that in preparing resolutions and conclusions, the elements of political agreement and compromise within the political leadership push aside (and sometime completely 'push away') the elements of a wider and principled theoretical thinking out of individual social problems and conflicts among opposed partial interests which are very much present and active even in the party itself."

Pasic declares: "The hyperproduction and inflation of political documents of all kinds, intended to move and to guide social actions, has inevitable negative consequences, just as any inflation does. In this case it is a matter of negative consequences for the political authority and influence of the bodies and organs in whose name the documents are adopted. The more prominent and responsible place such an organ occupies in the overall system of political decisionmaking, the more far-reaching and grave these consequences are. Any policy that is proclaimed but not carried out, every position or conclusion that is adopted but not implemented, only increases the doubt and mistrust that have been generated in the ability of the organization and its leadership to influence efficiently the course and the direction of real social trends."

Pasic observes that the apparatus in the sociopolitical bodies and the LC "cultivates and perfects the skill of making statements and explanations which enable one to say essentially very little with a great many words," so that "disputes are 'solved' by invoking general principles which are not disputed by anybody" and "something is unanimously adopted which in essence satisfies no one. In a document tailored in such a way, everybody will nevertheless find the points that suit him and that enable him to continue behaving in the old way, and everybody will be able to sigh with relief because, at least apparently and 'until further notice,' a way has been found out of an unpleasant deadlock."

Pasic recalls the LCY Central Committee resolution that party documents should be shorter and clearer and praises the general party discussion of the draft conclusions of its 13th session. He notes that "a routine production of program documents, positions, decisions, conclusions, and so on, based on the tacitly accepted equilibrium of forces of the organized political factors participating in decisionmaking behind closed doors, has its strong inertia" and "a great expenditure of time and resources, and the illusion of intensive work very often merely cover up an actual marking of time."

The critical analysis of the functioning of the political system, in Pasic's opinion, "undoubtedly suffers from these shortcomings." It is critical and it is exhaustive, but its "method of normative subjectivism fails in its task of uncovering the objective and subjective causes of a given situation." Pasic proceeds to quote from the critical analysis to demonstrate its "tautologies." He wonders "what the fate is of generalized political and moral appeals of this kind" and "how a revolutionary party in power could preserve and further develop the ability of critically assessing its own practice" and readiness to improve.

Pasic notes that the way political positions are arrived at reflects "the actual relationship of forces between destatization based on self-managing pluralism of interests and polycentric statism." A working group to draft the critical analysis was set up in 1982, comprised of people appointed by the republics and provinces. This was followed by five working groups composed on the same principle, which produced eight papers "of different and often opposite views." These and the discussions about the papers were submitted in February of this year to a commission to prepare a final document. Pasic says that he does not want to "pronounce his judgement on the merits and demerits of this document" on which he worked 3 years, but has used it as an illustration of how political documents are produced.

NEW RULES ON FOREIGN ECONOMIC CONDUCT PASSED

LD230442 Belgrade TANJUG Domestic Service in Serbo-Croatian 1636 GMT 21 Dec 86

[Text] Belgrade 21 Dec (TANJUG) -- The Chamber of Republics and Provinces (presided over by Metodi Antov) today adopted laws on carrying out economic activities with foreign countries and on carrying out investment projects abroad. The adoption of these two laws closes the "circle" consisting of five legal documents which regulate our business transactions with foreign countries. At the same time a number of tasks within the long-term program of economic stabilization were realized and one of the most important items on the agenda was adopted.

The systemic laws adopted today, as well as the three laws from the sphere of economic relations with foreign countries which were adopted at the previous session of the Chamber of Republics and Provinces, reintroduce the dinar as the only means of payment in the country and consolidate "connective tissues" in foreign exchange transactions, such as the foreign exchange balance of payments and the foreign exchange market. Conditions are also created for the controlled incurring of debts, a more rational economic activity of our businessmen abroad, as well as a more organized performance on the world market, in order to increase the country's exports and the foreign exchange inflow.

At today's session the Chamber of Republics and Provinces also adopted lawas on the financing of the federation and on amendments and addenda to the law on the federation's funds for crediting the development of economically underdeveloped republics and provinces.

At the beginning of the session delegates paid tribute to the recently deceased Djuro Vekic with a minute of silence.

The law on the carrying out economic activities abroad imposes stricter conditions than previously for the setting up and work of firms, banks and other financial organizations, branches and business units in the world.

In order to set up firms abroad, an organization of associated labor should satisfy about a dozen requirements. It should, for instance, carry out its duties both in the country and abroad with regularity, draw up a survey to justify the economic need of such a project and prove that it is capable of increasing exports and foreign exchange inflow.

The provisions of this law more precisely define common duties, rights, and responsibilities of those who set up enterprises abroad. This increases the responsibility of the home-based firm for covering the losses of its foreign branch. The founder of the enterprise is bound by the law to pass a program of measures for eliminating the losses and reorganizing the enterprise, and to submit it to the Federal Secretariat for Foreign Trade. Federal organs have the right to close down those foreign branches which operate at a loss, if their situation cannot be improved by reorganizing the branch.

The law on carrying out foreign investment projects creates legal conditions for an organized performance of investment projects on the foreign market, which should eliminate any competition among our organizations.

From now on a domestic organization will have to register with the Yugoslav Chamber of Economy if it intends to participate in any investment project abroad. This body will have the sole authorization for issuing certificates on satisfying all conditions for starting business abroad and will become a "roof" under which the interested organizations will negotiate about their joint performance.

The income of workers employed on foreign building sites will, according to a provision of this law, be paid in dinars and in local currency. The local currency pay will not exceed the workers' cost of living while they remain in that country. The law also more precisely regulates relations between the main contractor and subcontractors, the import of equipment used for investment projects abroad, the account of completed projects, and other areas.

The chamber adopted changes in the law on financing the federation, one of the systemic laws, to which changes have been announced for the last 7 years and which have been under discussion for 2 years. With changes in the system of financing the federation, the principle of rebalancing budget funds in accordance with adopted criteria is being introduced.

Funds for the Yugoslav People's Army [YPA] will be coordinated during the course of the year, if the Federal Planning Institute establishes that the new estimate of social production differs by 5 percent from the estimate on the basis of which funds for the YPA are fixed in the federal budget. Final accounting of funds, in accordance with national income generated, will be carried out as before for the YPA.

The current coordination of additional funds for the underdeveloped republics and Kosovo will be carried out if the new estimate of the social product of the overall economy differs by 5 percent from the original estimate on the basis of which these funds are fixed in the federal budget. Additional funds for the underdeveloped regions will no longer be finally calculated on the basis of the social product generated. They are determined on the basis of estimated social product. Criteria for adjusting the remainder of budget funds for the work of the federal organs, reserves, and so on, will be fixed by annual resolutions.

With the law on the financing of the federation, sub-balances are being introduced in the federal budget for the YPA and other functions of the federation, in a law on the federal budget being adopted by the Federal Chamber.

With the changes in the law, a legal basis for the continuation of the policy of stimulating exports is created, since, with the new regulations on foreign exchange, the Yugoslav community of interest for economic relations with foreign countries ceases to exist.

The SFRY Assembly Chamber of Republics and Provinces today also adopted a law on changes and addenda to the law on the federal fund for crediting the more rapid development of the economically less well-developed republics and provinces. In order to realize its functions, the role of the fund is primarily to concern itself with the realization of part of the resources of the fund which are formed by the association of labor and resources and to monitor these funds. The federal fund is also concerned with the influx of funds which are formed from an obligatory loan but also with the monitoring of payments made with these funds.

The role of the fund is also to assign money of the obligatory load in the form of credits to the economically less developed regions. Funds will be kept on account with banks in the underdeveloped republics and Kosovo. The remainder of the fund's resources for crediting the more rapid development of the less developed regions is formed by the association of labor and resources of associated labor organizations on the basis of income and on common interest.

At the end of the session an initiative was adopted mandating that the SFRY Assembly particpate in the concluding of the social compact on the organization and financing of the 14th Univerziad Games in Zagreb. Republics and provinces will participate in the financing of this sporting event to the tune of about 10 percent, and the biggest part of the funds will be provided by the city of Zagreb. The remaining funds will be provided from the federal budget.

The chamber this evening ratified two contracts with Cyprus concerning legal relations and taxation, and a contract with Hungary on checkpoints at state border crossings at Mohacs and Bezdan. After this the chamber ended today's session, announcing that its work would be continued when the Yugoslav social plan for 1986 and remaining laws in the field of underdeveloped regions are agreed upon.

SERBIAN RESIDENTS OF KOSOVO SIGN PETITION

Pristina LC Denounces Petition

LD241810 Belgrade TANJUG Domestic Service in Serbo-Croatian 1456 GMT 24 Dec 85

[Text] Pristina, 24 Dec (TANJUG) -- At last night's meeting of the second basic organization of the League of Communists of the 16th local community from Kosovo Polje, the assessment of the Presidium of the Municipal Committee of the League of Communists of Pristina on the petition, allegedly signed by 2,011 citizens of Serbian nationality on this estate in the outskirts of the town, was upheld. The unanimous view was that the petition bristles with nationalistic and revanchist demands and that it has inflicted political damage on decent inhabitants of the area. The Municipal Committee Presidium of the League of Communists of Pristina, as is well-known, judged the petition to be a political pamphlet with hostile content offering unacceptable advice on how to solve Kosovo's problems. The first person to distance himself from the petition was Miso Pantovic, president of the Action Conference of the League of Communists of the 17th local community in Kosovo Polje, who said that the pamphlet does not represent the ideology of the inhabitants of Kosovo Polje, which during the war had been a revolutionary place. He considers the petition to be subversive, unacceptable, extremely nationalistic, and a "sweetener" for the Albanian irredentist. Milivoje Papovic accepted in its entirety the assessment contained in the announcement of the Municipal Committee Presidium of the League of Communists of Pristina, but he disagreed with some of its finer points. "Individuals who are extremist in orientation should be held responsible, but the blame cannot be cast on all people of Kosovo Polje." Papovic then recalled a few cases in Kosovo Polje which caused trouble among the inhabitants of this estate. The first was the recent antipedagogical and nationalist behavior of an Albanian language teacher, who discussed some political topics with pupils in a provocative way in the Serbo-Croat language department.

The other excess occurred in a primary school in Kosovo Polje when a group of pupils of Albanian nationality turned on their fellow pupils of Serbian nationality. Papovic warned, in particular, of the use of an improvised mosque near the school in Kosovo Polje for performing wedding rites. How does it happen, he asked, that even after the political stances of the municipal organs forbidding the construction of a mosque on this estate, a formerly abandoned building is used as a mosque for religious wedding ceremonies?

In 1941 partisan of this [words indistinct], assessed that the demands and content of the petition were, to a large extent, unconstitutional. No decent citizen will agree with its contents, he added, and called for a more effective solution to the numerous communal and other problems in Kosovo Polje.

Veljko Odalovic, secretary of the party organization, noted that they did not consider the petition to be their own, but someone had tried to impose it on us. The label "petitionists" cannot be ascribed to the residents of Kosovo Polje. Someone perfidiously used the names of the inhabitants of Kosovo Polje and obviously manipulated them, Odalovic believes.

Sadri Godanci, member of the Presidium of the Municipal Committee of the League of Communists of Pristina recalled that the petition came into being after a meeting of the so-called political aktiv in Kosovo Polje on 9 September this year, when voices could be heard called for a change in the constitution.

Having noticed that the signatories did not have faith in the political structure of Pristina and Kosovo, but sent the petition to the organs of the Federation of the Scoialist Republic of Serbia and to individuals outside the province, he warned that the petition was, in essence, reactionary. The petition, however, was not directed only against Albanians but also against our constitutional system, said Sadri Godanci, and added that Kosovo Polje cannot, in any case, be identified with Serbian nationalism.

Serbian LC Reviews Events

LD251951 Belgrade TANJUG Domestic Service in Serbo-Croatian 1515 GMT 25 Dec 85

[Text] Belgrade, 25 Dec (TANJUG) -- The Serbian LC Central Committee Presidium (at a session presided over by Ivan Stambolic) adopted a draft report today on the Serbian LC and its organs' activity between the two congresses. The Serbian LC Central Committee will discuss this document at its next session at the beginning of January, after which the document will be sent to the LC's basic organizations for a public discussion.

It is reported that the Presidium also discussed a report by the Kosovo LC Provincial Committee Presidium on topical issues of the political situation in Kosovo Polje's local communities in connection with a petition went by a number of citizens from that area and other municipalities in the province and the republic to the highest state and sociopolitical organs of the SR of Serbia and the SFRY.

The Serbian LC Central Committee Presidium supported actions so far undertaken by the Pristina LC Municipal Committee and Communists from Kosovo Polje regarding putting Kosovo Polje's state of affairs and the circumstances which led to the petition into perspective.

At the session, particular stress was laid on the need to clearly separate true problems which burden social and political life in Kosovo Polje, the municipality of Pristina and the entire province, from unacceptable political stands from positions of Serbian nationalism which are contained in the text of the petition; the petition devotes the least attention to concrete problems in this area. The citizens' dissatisfaction with the slow tackling of some problems of everyday life is being manipulated from positions contrary to the LCY platform on Kosovo. Such initiatives help rekindle Serbian and Albanian nationalism and aggravate intranational relations, particularly when, as is the case in this event, they are prompted by individuals and nationalistic groups outside the province. This petition's publication in two public organs is the expression of an uncritical attitude towards the text in which nationalistic features are obvious.

The Presidium believes that Communists from Kosovo Polje and Pristina are duty-bound to resolutely face problems which have accumulated in the communal and other areas and which are present in the lives of citizens. They must overcome weaknesses of the hitherto insufficiently organized work of the League of Communists and other subjective forces. It is most essential at this moment that through the involvement of Communists, conditions be created for constructive talks and action which will return the citizens' shaken confidence in the organs of authority and the urgent tackling of concrete problems which have been pointed out in Kosovo Polje for a long time. In this respect the Presidium gives support to actions for adopting concrete plans for overcoming complex material and political problems in Kosovo Polje which have been initiated by the Pristina LC Municipal Committee.

Critical Press Reports

AU061742 [Editorial Report] Belgrade POLITIKA in Serbo-Croatian on 23 December on page 6, and Belgrade BORBA in Serbo-Croatian on 25 December on page 5, on 28-29 December on page 5, and on 30 December on page 3 carry further reports on the discussions and denunciations of the Kosovo Polje petition.

In POLITIKA, Z. Zejneli in a 900-word report datelined "Kosovo Polje, 22 December" says that the petition which was sent "to 16 addresses of the highest forums of the SFRY and the SR of Serbia, as well as to 4 individuals -- Svetozar Vukmanovic Tempo, Batric Jovanovic, Todor Zlavinski, and Zarije Martinovic, -- is no longer a secret, although it has been proclaimed one. It recently became public because its content has been published." Zejneli says: "The allegations of the petition are examined by an 11-member working group which consists mostly of people from this province -- socio-political, and public workers." "As Budislav Vujisic, one of the members of the working group, told us, the working group has been set up as part of the regular political activities in connection with the coming elections."

Zejneli quotes Kosta Bulatovic, whose name is last on the list of signatories, as denying he was a leader. "I am only a signatory like all others," he reportedly says. Another signatory is named as Radule Belizarevic, a member of the Veterans Federation. Yet another signatory, "who did not want his name published, because, as he put it, he had just arrived from Smederevo, where he emigrated last summer," is reported to have said that the essence of the petition is "to clear up some things with the fascists in this country. We in fact want to conduct a sharper struggle against all the enemies, particularly here in the field."

Zejneli reports that "the petition is typed on about four pages, in Cyrillic script, and contains 15 demands."

In BORBA on 25 December, Milos Antic in a 1,200-word article entitled "Wrong Road" states that the petition was signed by 2,011 people from Kosovo Polje, a suburban settlement near Pristina. "The petition was sent to 16 Belgrade addresses in the middle of October, but the first report of its existence was published only at the beginning of December. This interval was filled, at least in Pristina and its surroundings, by various guesses based on hearsay which contained, to put it mildly, such horror stories that all those of Serbian and Montenegrin nationality who vacillated about whether to emigrate or not were driven to move off.

"It is learned that the petition was preceded by 'several days of travel by a group of people' from Kosovo Polje; first to Montenegro where they were rejected, and then to Belgrade where some distinguished revolutionaries did not receive them."

"It is known that they found 'shelter' with some people 'of certain circles.' Their names are not mentioned yet, but it is said that they are well-known rightists who, it appears, drafted the text of the petition.

"The text of the petition," Antic says, "particularly some of its parts that constitute, as it is assessed, a peculiarly reactionary -- and one might even say nationalist -- platform, does not deserve to be published in the media of the socialist forces of our society. This would mean giving space to the enemy and providing him with a chance to publish his ideas."

Antic reports the denunciation of the petition by the Presidium of the Municipal Committee of the LC of Pristina and by a meeting of the second basic organization of the LC of the 16th local community in Kosovo Polje "last night." "The Communists of Kosovo Polje, -- and they will be joined by all honest citizens -- justly realize that numerous problems in this suburban settlement, as well as in Kosovo in general, cannot be solved through revanchism, amendments to the constitution, reducing the rights of other peoples and nationalities, and a response with 'fascist methods' against 'the fascist methods of the irredentists,'" Milos Antic says.

In a 2,300-word report in BORBA on 28-29 December, Zivko Cerovic writes about "a group of Yugoslav journalists who visited Kosovo in the course of the past week," and their talks with Svetislav Dolasevic, member of the Presidium of the Provincial Committee of the LC of Kosovo. Dolasevic talked about the economic and the political security situation in Kosovo.

Referring to the Kosovo Polje petition, Dolasevic is quoted as saying: "This petition is permeated with politically unacceptable positions and demands, and it seeks support among dogmatic, bureaucratic, and right-oriented forces , along with links with nationalists from other communities." Cerovic adds that Dolasevic was confirmed a few days later "by the people of the 17th local community in Kosovo Polje, who sharply condemned the authors and the signatories of this petition."

On 30 December, BORBA carries a 600-word TANJUG report, datelined "Pristina, 28 December," on a meeting of the first basic organization of the LC of the 17th local community of Kosovo Polje which discussed the petition. "Although some demands of the petition were rejected as unacceptable, the majority of the LC members of this organization insisted on a differentiated approach and on distinguishing between what is negative in this petition and what it acceptable," TANJUG reports.

Nebih Gasi, member of the Presidency of the Socialist Autonomous Province of Kosovo, is reported to have "called the petition an unacceptable method for solving problems, warning that some honest people have been unwittingly involved in this 'dirty game' and signed the petition without knowing of its content."

NATIONALISM DIVIDES KOSOVO WRITERS' GROUP

LD111131 Belgrade TANJUG Domestic Service in Serbo-Croatian 1405 GMT 10 Dec 85

[Text] Pristina, 10 Dec (TANJUG) -- At its session today the aktiv of Kosovo writer-communists unanimously adopted the stands on the ideological trends among writers and on the current situation and relations in the Society of Kosovo Writers. It also agreed on the stance concerning the tasks and action to be carried out over the next period.

The stands are the result of a prolonged period of disrupted human and intranational relations among the writers in Kosova, which were particularly exacerbated following the resignation of three members of the society's presidium and the "open letter" by writers of Serbian, Montenegrin and Muslim nationalities.

The stands emphasize that writers in Kosovo must create and develop a climate of trust, must be consistent in the implementation of the principle and policy of full national equality, and must create conditions for literary creativeness in the languages of our nations and nationalities and for its recognition both in the province and beyond.

The stands also point to the need for intensifying the work of the relevant bodies and for the society to hold a session as soon as possible to elect additional members to the society's assembly and the presidium. The need to intensify and expand cooperation with the writers' organizations in the republics and Vojvodina is stressed. The stands also call upon the party organizations to which writers belong to assess their work and to take resoponsible measures against those who behave contrary to the LCY's principles.

This document, described by each of the 11 participants in the debate as the platform for surmounting the disruptive situation, begins with an appraisal of the situation in the Society of Kosovo Writers. It is stated that the situation in the ideological sphere reflects a complex social situation and the accumulated problems and contradictions confronting our society in general and Kosovo in particular. The situation in Kosovo has been exacerbated by counterrevolutionary activity from the positions of Albanian nationalism and irredentism, and Serbian and Montenegrin nationalisms have emerged in various forms. It is also stated that by their written word and sociopolitical activity the majority of writers in Kosovo have confirmed that their work is in keeping with the LCY's ideopolitical principles.

Through their writings and overall activity, writer-communists must resolutely oppose all that is directed against the bright and humane achievements of our revolution, against self-management, and against Tito's accomplishments. They must also counter nationalism, chauvinism, and all other aspects of national divisions and disagreements, bureaucratic-dogmatic mentality, and the pressures which threaten creative freedoms. The political situation in Kosovo places before the writers in the province the specific task of publicly and clearly denouncing and fighting Albanian nationalisms must be accordingly denounced and fought. The stands also stress that the problems in the Society of Kosovo Writers result from numerous and differing circumstances, and that one of the reasons behind the problems is the fact that the society became passive.

The writers' society has not affirmed itself as a factor in creating cultural policy in the province. Instead, it has mostly dealt with "professional" problems while the work was carried out mainly by the presidium and a small number of writers. This led to the phenomena of bureaucratic tendencies and isolation. The writers' society presidium has not shown the effectiveness or political maturity demanded by the situation, and thus it is inadmissible that when three members of this body resign the presidium and the assembly do not convene a meeting and discuss it. As the consequence of the combination of all these negative circumstances, there emerged the "open letter" by a number of writers who write in Serbo-Croatian. Though it is a well-known form of public communication, an "open letter", it is pointed out in the stands, is a method unsuitable to political communication, while in the LC it is unacceptable as a practice of activity in the mechanism of self-managing socialist relations. It is unacceptable also because it objectively divides on a national basis, leads to confrontation, and leaves political consequences.

The stands further refute as completely unacceptable the polarization created in connection with the "open letter" and the tendency either to attack or to defend the Kosovo Writers' Society from extremist positions. It is pointed out that at preceding meetings of the aktiv, assessments and views which depart from LC policy had been made and put forward, and some were even directly contrary to LC policy. The LC aktiv resolutely dissociates itself from such unacceptable positions and in its future work it will not allow such statements and behavior.

Fortunately, it was the wishes and feelings about the need to overcome the created state of affairs that prevailed at previous meetings of the aktiv. This sort of feeling and such wishes were particularly stressed today in all statements by the members of the aktiv, which can be illustrated by the fact that the stands, accompanied by some comments, were eventually unanimously adopted. It was agreed that as early as the beginning of the next year the already initiated activity should be continued and intensified even more. It was concluded that one of the first tasks will be to change some regulations in the present statute of the Kosovo Writers' Society that have presented a stumbling block in the work of this literary organization.

FORUM VIEWS LONG-STANDING IDEOLOGICAL OPPOSITION

LD252109 Belgrade TANJUG Domestic Service in Serbo-Croatian 1331 GMT 25 Dec 85

[Text] Sarajevo, 25 Dec (TANJUG) -- Only united can we effectively oppose "the associated opposition". This is one of the fundamental conclusions of a colloquium held in Sarajevo today on the topic of the League of Communists in the struggle against anti-self-management ideology and the ideology of radicalism, in which our prominent scientists and sociopolitical workers participated.

Dr Fuad Muhic, in his introductory remarks, warned that we are witnessing a specific revival of the opposition today. Unlike in some earlier periods, it no longer even hides the message it wants to get across but tries to make it more recognizable. He said that opposition ideologies are trying to get a real foothold, first by criticisms of our practice and then directly or via an intermediary attempting to show that the LCY's ideology is nothing other than a perverted consciousness of a nonexisting reality. From this point of view the notion that "the LCY has as much opposition towards itself as it makes possible with its own practice" acquires historical validity, Muhic said.

Muhic then warned that there is not a moment from 1945 up to today which "the associated opposition" have not subordinated to radical negation. Among other things, it one-sidedly reduced the entire problematic affair of 1948 to the symbolism of Goli Otok [an island labor camp]. The opposition is fond of the thesis that prewar Yugoslavia was not such a "decayed historic creation" as it was later described. It then carries out a collective effort to "demystify" the role of Tito's personality in contemporary history. Muhic concluded that the issues raised by the "associated opposition" can only be solved as Yugoslav issues or if they are countered in a united way.

This was the view which dominated throughout the discussion led by Hamdija Pozderac. He considered that one of the League of Communists' great weaknesses is that it has not done any persistent work aimed at strengthening the strongpoints of socialist self-managing social criticism and creative work. The radical left has produced and published an abundance of texts on Yugoslav society's problems and on its position in the contemporary world. On the other hand, there has not been a true critique of this phenomenon; it has remained within the framework of sociopolitical communities, or narrower still, within the framework of republic and provincial leaderships.

The mass media, Pozderac said, those who communicate ideological stances and organize ideopolitical action in this respect, behaved differently. Despite all their efforts up to now, they have not succeeded in making a united and organized impression and in creating united assessments on these concepts and on the character of the criticism, Pozderac said.

It was stressed in the discussion that socialist self-management was confronted by opposition forces in almost every period of development. Not one of them lacked an ideology which wanted to create the desired legitimacy by negating the revolution and elaborating an appropriate alternative. However in the stormy days of our postwar development, they were nevertheless ultimately recognized and defeated.

INCOMES, STANDARD OF LIVING RISING IN SLOVENIA

AU110954 Belgrade POLITIKA in Serbo-Croatian 19 Nov 85 p 8

[S. Zikic report]

[Excerpts] Ljubljana, 18 Nov -- Statistical data show that the standard of living in the SR of Slovenia has not only stopped falling but has in fact started to rise. The best indication of this is the data about average real personal incomes for the first 6 months of this year. While the Yugoslav average real personal income per employed person was 1.7 percent less than that of the same period last year (in Macedonia it was 6.8 percent less and in Vojvodina 6.3 percent less)real personal income in Slovenia has increased by 4 percent despite the fact that the prices of food and other articles have risen faster and higher in Slovenia than in Yugoslavia as a whole.

These prices have not, in fact, been rising as fast as personal incomes, so they could not have affected real standards and real personal incomes much. The Institute for Social Planning in the SR of Slovenia also has data for the first 7 months of this year. So, it is pointed out that the average personal income per employed person in Slovenia shows a nominal increase of 86.5 percent in the first 7 months of this year (85.8 percent in the economic domain and 90.1 percent in the noneconomic domain). Compared with the data for increases in the prices of so-called essentials of life, the average personal income has in this period risen by 6 percent in real terms. It is estimated that by the end of the year the increase in the nominal personal incomes will have reached 87 percent, 84 percent per employed person, and that the cost of living will have risen by 76 percent, which means that by the end of the year real personal incomes will be higher by 4.5 percent than last year's personal incomes.

Other data point to the fact that the general social standard in Slovenia is also not in decline, even the standard of those few who are unemployed. Every unemployed worker, from about 1,462 registered in the first 6 months of this year, received unemployment benefits worth about 18,906 dinars. If the unemployment benefits in other parts of Yugoslavia were as high as those in Slovenia, many people would find it more worthwhile to be unemployed than employed.

KOSOVO NEED FOR MORE INVESTMENT FUNDS NOTED

AU171429 Belgrade POLITIKA in Serbo-Croatian 26 Nov 85 p 6

[Z. Zejneli Report]

[Text] Pristina, 25 Nov -- The Kosovo LC Provincial Committee at its session today (presided over by Kolj Siroka) discussed the draft social plan for the development of the province to 1990, adopted the report about amendments of and additions to the LC Statute, decided about criteria for the nomination and election of the members from Kosovo LC organizations to Kosovo, Serbian, and Yugoslav LC organs, and decided to hold the 14th Kosovo LC Conference at the end of April next year. The committee also decided the criteria for and the election of delegates for the conference and the congresses of the Serbian and Yugoslav LC's.

In his introductory speech regarding the draft medium-term development plan for Kosovo, Avdi Bakali said that despite extensive sociopolitical action, the forecasts from the previous plan did not materialize, although their planners considered them to be realistic. Due to high inflation, inadequate investment funds, and irregular inflow of money from the fund for the development of the underdeveloped, particularly of those funds that relate to pooling resources, real investments have been decreasing at the rate of 6 to 10 percent. Based on 1980 prices, the planned investment of 98.7 billion dinars in the economy is assessed to be actually only 50 billion dinars. According to Avdi Bakali, the effects of the investment have fallen short because some projects which date back to 1976 have not been finished.

Assessing the next medium-term development plan as a very ambitious one, Avdi Bakali said that it is necessary for society as a whole to materially improve the position of Kosovo by bigger contributions to the fund, to make available bigger supplementary funds from the federal budget for the normal social services work, and to take other measures if the fulfillment of the adopted decisions is desired.

Birthrate

Ali Sukrija, member of the SFRY Central Committee Presidium, who took part in the work of the Provincial Committee of Kosovo LC, said that the construction of some megalomaniac objects which cost as much as 2 billion old dinars but do not produce results, is unacceptable. Sukrija also spoke about the problem of the birthrate in Kosovo. He stressed that the slogan "The more of us there are, the better it is for our nation" is the slogan of Albanian nationalists. A high birthrate has a direct effect on the problems of employment and housing, problems that later turn into problems with political characteristics. Therefore the birthrate problems must be tackled by everybody from the LC and Conference for the Social Activity of Women of Yugoslavia, to the science institutions. This is why we must not keep quiet about this problem.

The Kosovo LC Provincial Committee stressed at its session the need for recognizing the problems of underdeveloped communes. The representatives from the communes talked about their own problems, about lack of money for development, without taking into account the overall development plans of the province and its current economic problems.

The Kosovo LC Provincial Committee discussed at its session the report about proposed ideopolitical decisions regarding amendments and additions to the Kosovo LC Statute.

One of the new things is the proposal for a unified policy regarding the question of regulating the terms of presidents' and secretarys' offices of the LC organs. It is anticipated that the term of the Provincial Committee's president in Kosovo may be for 1 year with a possibility of being elected for another year, and that of the communal LC Committee's president, for 2 years plus another 2-year term. It is also envisaged that for these as well as for the top posts, there should be more candidates present in the elections.

Dr Ragip Haljilji, president of the LC Communal Committee of Pristina, was elected to the Presidium of the Provincial Committee of Kosovo LC, the post previously held by Ilijaz Kurteci, who has assumed a new duty. Following the proposal of the LC Communal Committee of Titova Mitrovica, Jetis Bajrami, one of the organizers of the strike at Trepca mine, was expelled from the Provincial Committee.

VOJVODINA LC PRESIDIUM DEBATES ECONOMIC POLICY

LD230254 Belgrade TANJUG Domestic Service in Serbo-Croatian 1921 GMT 19 Dec 85

[Excerpts] Novi Sad, 19 Dec (TANJUG) -- At today's expanded session of the Vojvodina LC Provincial Committee Presidium, the view was expressed that the draft resolution on the development of this province in the coming year was written in a "placatory" manner, even though the economic and social conditions are more serious than they have ever been before in the period in which this plan document was being drawn up.

Marko Djuricin [member of the Vojvodina LC Provincial Committee Presidium] in his introductory speech pointed to all the complexities with which the Socialist Autonomous Province of Vojvodina is entering the new 5-year period -- the level of debts, exchange rate differences, interest rates, and losses -- and stressed that in the new plan period we must guard against the fate of "negotiating and negotiating, but not implementing." The fact that the losses of the Vojvodina economy for the first 9 months of the year amount to 36-163 billion dinars, he noted, requires no further warning that this is a question of a threat to many fundamental development necessities, including employment and the standard of living.

From one plan document to the next, noted Sreta Stajic in the debate, we repeat year in and year out the need, for example, for "the better utilization of capacities," but we get no further than this statement. Thus in the resolution we should identify precisely and in concrete terms our obligations: who, where, when and how.

Zivan Marelj, president of the Vojvodina Executive Council, drew attention to the fact that the resolution on the development for the coming year is being adopted in exceptional circumstances, when many material prerequisites are still an unknown quanti quantity. Giving a realistic picture of the state and possibilities of Vojvodina, he noted that it is illusory to expect any kind of opening of doors to the technological revolution in the new 5-year period. The situation is such that it is known already that the 4-year accumulation of the Vojvodina economy will be allocated to elementary requirements -- covering losses, exchange rate differences, and other acute development problems. This means that development will have to proceed gradually. As for Vojvodina's agriculture, it provides a chance which the province should not let slip, but it has the same balance between income and interest to contend with.

"The question above all questions" in the view of the president of the Vojvodina Executive Council is: On what bases and on what production basis will development policy be conducted. We have been saying for a long time that there is a "holdup in self-management," but we still have not gone into it further and more deeply to see why this is so.

MONTENEGRO COUNCIL VIEWS FINANCIAL ACTIVITY

LD251640 Belgrade TANJUG Domestic Service in Serbo-Croatian 1450 GMT 25 Dec 85

[Text] Titograd, 25 Dec (TANJUG) -- Analyzing at today's session the financial activity of the economy in the first 9 months of this year, the Executive Council of Montenegro assessed that the high rates of financial transactions were primarily the result of high prive increases and changes in the accounting system.

During this period the Montenegro economy realized 72.9 percent higher total income than during the same period last year. The funds expended increased by 73 percent while the income was up by 80.4 percent. The share of the organization of associated labor in realized income is down from 57.9 to 56.2 percent, and assets for general social and common needs are down from 22.5 to 21.4 percent. Somewhat more favorable results were achieved in internal distribution where the share of net personal incomes in the distributed income dropped from 37.5 to 26.8 percent while the part of income intended for expanding the material basis of labor and reserves went up from 9.3 percent in the first 9 months of last year to 9.9 percent this year. The stated deficits in business activity, which amount to 30.4 billion dinars are 185 percent higher than in the same period last year.

CHARGES OF ECONOMIC IMPROPRIETIES RAISED, REFUTED

AU031858 [Editorial Report] Belgrade BORBA in Serbo-Croatian on 14-15 December carries on page 2 a 1,000-word article by Dara Vucinic alleging irregularities in the work of the federal administration, implicating Sinisa Korica, federal secretary for markets and general economic affairs. Belgrade POLITIKA in Serbo-Croatian on 22 December carries on page 6 a 600-word TANJUG report on the Federal Executive Council session on 21 December at which the allegations were refuted.

Dara Vucinic in her BORBA article entitled "Strictly Confidential Dodges" says that a report on irregularities in the Federal Directorate for Commodity Reserves and its predecessors, the directorates for food and for industrial products, has been classified as strictly confidential and will be discussed as such by the Federal Chamber of the SFRY Assembly on 18 December. Because the reasons for confidentiality have not been announced, "one can only guess" that "many former and present federal and regional officials, directors, department heads, counselors, as well as some ministers, -- not only former ones, but also present, for instance -- have been involved in many past (and not only past) not quite clear and pure, and also not lawabiding, acts by the directorate (or the directorates, it does not matter)."

According to Vucinic, the former director of the Directorate for Industrial Reserves, Momcilo Vlahovic, who has been convicted of murder, constructed two projects in Montenegro and, after they were completed, asked the Federal Executive Council for approval, which was granted. In 1982, the directorate and its department chief, Miodrag Cekic approved the importation of 4,000 tons of Australian wool against the Federal Government decision, through middlemen in France, at a price 60 percent above the average; 90 tons of this wool is still in a Bar port warehouse.

Vucinic states that Sokolj Nimani, present secretary general of the Cooperative Council of Yugoslavia, when he was director of the Directorate for Reserves of Food Products, and his associates "imported grain of dubious quality, cheated, classified and reclassified corn and wheat as they felt fit, bought and processed spoiled fat from Hungary, and illegally gave approval for running down the strategic reserves of the country to the benefit of their province.

This, too, has been proclaimed a state secret," despite the harm caused. Another man named in this connection is Radivoje Zivanovic, an acting department chief.

Vucinic also declares that some 17,500 tons of meat from the reserve stock was recently sold to Kooprodukt of Vojvodina for processing at a 33 percent discount, resulting in a loss of 2.5 billion dinars. This provided work for the Vojvodina meat processing industry. "Another thing is known: This sale was approved with the consent of Sinisa Korica, federal secretary for markets. The fact that Korica joined the federal secretary for markets. The fact that Korica joined the Federal Executive Council from the list of candidates proposed by Vojvodina perhaps is really not essential," Vucinic remarks.

The TANJUG report on the Federal Executive Council session on 21 December carried in POLITIKA says that the council discussed a report by the Federal Market Inspectorate on the meat sales in the Federal Secretariat for Commodity Reserves and noted that the sale of "some 17,000 tons of meat to Kooprodukt of Novi Sad was in conformity with legal regulations and powers." The Novi Sad work organization submitted the highest bid, and "the usual discount of between 8.5 and 35 percent" was granted to it and to 14 other buyers.

"Sinisa Korica, federal secretary for markets and general economic affairs, gave his consent to this sale proceeding from the program of stocking, renewing, and using the commodity reserves in accordance with regulations and within his legal powers," the report says.

"The Federal Executive Council assesses that the allegations in DUGA and BORBA about the sale of meat to Kooprodukt of Novi Sad are one-sided, tendentious, and do not correspond to the truth. It therefore believes that the conditions, need, and obligation are present for the self-managing and other organs in the said newspapers to determine the responsibility for such a manner of informing the public and to take appropriate measures."

As regards irregularities in the former federal directorates for food and industrial products, the Federal Executive Council states that it has proposed and taken "organizational, cadre, and other measures" and that "criminal charges, and charges of economic infringements and violations have been submitted against the persons responsible." A report on this matter was "examined and adopted by the Federal Chamber of the SFRY Assembly at its session on 18 December."

BRIEFS

LIBYAN OIL DELIVERIES -- Tripoli, 18 Dec (TANJUG) -- An agreement was signed in Tripoli yesterday under which Libya is to deliver over 700,000 barrels of oil to Yugoslavia. The tanker which is at the moment being loaded with oil is expected to leave for Yugoslavia within the next few days. This latest delivery (about 90,000 o tons) is in lieu of Libya's payment for jobs completed by our work organizations in the Libyan Jamahiriyah. This is the fourth oil delivery in the second half of this year. The oil is being delivered within the framework of compensatory payment for our investment projects in Libya. The agreement with the Libyan oil company, Brega, was signed by Ismet Suska, director of the joint Yugoslav economic mission in the Jamahiryah. [Text] [Belgrade TANJUG Domestic Service in Serbo-Croatian 1910 GMT 13 Dec 85 LD]